# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

**☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the Quarterly Period Ended June 30, 2024**

**OR**

**☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the transition period from _____ to _____**

**Commission File Number: 001-38073**

# CARVANA CO.
**(Exact name of registrant as specified in its charter)**

| **Delaware** | **81-4549921** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

| **300 E. Rio Salado Parkway** | **Tempe** | **Arizona** | **85281** |
|---|---|---|---|
| (Address of principal executive offices) | | | (Zip Code) |

**(602) 922-9866**
(Registrant's telephone number, including area code)

**N/A**
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Class A Common Stock, Par Value $0.001 Per Share | CVNA | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| Emerging growth company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐Yes ☒No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

As of July 29, 2024, the registrant had123,824,087 shares of Class A common stock outstanding and83,119,471 shares of Class B common stock outstanding.

**INDEX TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**PART I. FINANCIAL INFORMATION**

**ITEM I. FINANCIAL STATEMENTS**

**CARVANA CO. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(Unaudited)**
**(In millions, except number of shares, which are reflected in thousands, and par values)**

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 542 | $ 530 |
| Restricted cash | 65 | 64 |
| Accounts receivable, net | 349 | 266 |
| Finance receivables held for sale, net | 758 | 807 |
| Vehicle inventory | 1,221 | 1,150 |
| Beneficial interests in securitizations | 421 | 366 |
| Other current assets, including $4 and $3, respectively, due from related parties | 121 | 138 |
| Total current assets | 3,477 | 3,321 |
| Property and equipment, net | 2,867 | 2,982 |
| Operating lease right-of-use assets, including $14 and $10, respectively, from leases with related parties | 466 | 455 |
| Intangible assets, net | 43 | 52 |
| Other assets | 317 | 261 |
| Total assets | $ 7,170 | $ 7,071 |
| **LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)** | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities, including $6 and $7, respectively, due to related parties | $ 742 | $ 596 |
| Short-term revolving facilities | 72 | 668 |
| Current portion of long-term debt | 203 | 189 |
| Other current liabilities, including $13 and $3, respectively, due to related parties | 101 | 83 |
| Total current liabilities | 1,118 | 1,536 |
| Long-term debt, excluding current portion | 5,428 | 5,416 |
| Operating lease liabilities, excluding current portion, including $11 and $7, respectively, from leases with related parties | 444 | 433 |
| Other liabilities, including $15 and $11, respectively, due to related parties | 65 | 70 |
| Total liabilities | 7,055 | 7,455 |
| Commitments and contingencies (Note 16) | | |
| Stockholders' equity (deficit): | | |
| Preferred stock, $0.01 par value - 50,000 shares authorized; none issued and outstanding as of June 30, 2024 and December 31, 2023, respectively | — | — |
| Class A common stock, $0.001 par value - 500,000 shares authorized; 121,054 and 114,239 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively | — | — |
| Class B common stock, $0.001 par value - 125,000 shares authorized; 85,619 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively | — | — |
| Additional paid-in capital | 2,106 | 1,869 |
| Accumulated deficit | (1,580) | (1,626) |
| Total stockholders' equity attributable to Carvana Co. | 526 | 243 |
| Non-controlling interests | (411) | (627) |
| Total stockholders' equity (deficit) | 115 | (384) |
| Total liabilities & stockholders' equity (deficit) | $ 7,170 | $ 7,071 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**CARVANA CO. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**
**(In millions, except number of shares, which are reflected in thousands, and per share amounts)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Sales and operating revenues:** | | | | |
| Retail vehicle sales, net | $ 2,411 | $ 1,961 | $ 4,586 | $ 3,788 |
| Wholesale sales and revenues, including $7, $5, $14 and $10, respectively, from related parties | 720 | 777 | 1,377 | 1,395 |
| Other sales and revenues, including $47, $33, $89 and $69, respectively, from related parties | 279 | 230 | 508 | 391 |
| **Net sales and operating revenues** | 3,410 | 2,968 | 6,471 | 5,574 |
| Cost of sales, including $2, $1, $3 and $2, respectively, to related parties | 2,695 | 2,469 | 5,165 | 4,734 |
| **Gross profit** | 715 | 499 | 1,306 | 840 |
| Selling, general and administrative expenses, including $8, $10, $15 and $18, respectively, to related parties | 455 | 452 | 911 | 924 |
| Other operating expense, net | 1 | 5 | 2 | 6 |
| **Operating income (loss)** | 259 | 42 | 393 | (90) |
| Interest expense | 173 | 155 | 346 | 314 |
| Loss on debt extinguishment | 2 | — | 2 | — |
| Other expense (income), net | 35 | (8) | (52) | (11) |
| **Net income (loss) before income taxes** | 49 | (105) | 97 | (393) |
| Income tax provision (benefit) | 1 | — | — | (2) |
| **Net income (loss)** | 48 | (105) | 97 | (391) |
| Net income (loss) attributable to non-controlling interests | 30 | (47) | 51 | (173) |
| **Net income (loss) attributable to Carvana Co.** | $ 18 | $ (58) | $ 46 | $ (218) |
| | | | | |
| Net earnings (loss) per share of Class A common stock - basic | $ 0.15 | $ (0.55) | $ 0.39 | $ (2.05) |
| Net earnings (loss) per share of Class A common stock - diluted | $ 0.14 | $ (0.55) | $ 0.36 | $ (2.05) |
| | | | | |
| Weighted-average shares of Class A common stock outstanding - basic | 118,930 | 106,222 | 117,614 | 106,117 |
| Weighted-average shares of Class A common stock outstanding - diluted | 128,465 | 106,222 | 126,756 | 106,117 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**CARVANA CO. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**
**(Unaudited)**
**(In millions, except number of shares, which are reflected in thousands)**

| | Class A Common Stock | | Class B Common Stock | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Non-controlling Interests | Total Stockholders' Equity (Deficit) |
| **Balance, December 31, 2022** | 106,037 | $ — | 82,900 | $ — | $ 1,558 | $ (2,076) | $ (535) | $ (1,053) |
| Net loss | — | — | — | — | — | (160) | (126) | (286) |
| Exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises | 14 | — | — | — | 1 | — | (1) | — |
| Contribution of Class A common stock from related party | (16) | — | — | — | — | — | — | — |
| Issuance of Class A common stock to settle vested restricted stock units | 39 | — | — | — | — | — | — | — |
| Forfeitures of restricted stock and restricted stock surrendered in lieu of withholding taxes | (30) | — | — | — | — | — | — | — |
| Options exercised | 3 | — | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 17 | — | — | 17 |
| **Balance, March 31, 2023** | 106,047 | $ — | 82,900 | $ — | $ 1,576 | $ (2,236) | $ (662) | $ (1,322) |
| Net loss | — | — | — | — | — | (58) | (47) | (105) |
| Contribution of Class A common stock from related party | (16) | — | — | — | — | — | — | — |
| Issuance of Class A common stock to settle vested restricted stock units | 415 | — | — | — | — | — | — | — |
| Issuance of Class A common stock under ESPP | 20 | — | — | — | — | — | — | — |
| Forfeitures of restricted stock and restricted stock surrendered in lieu of withholding taxes | — | — | — | — | (2) | — | — | (2) |
| Options exercised | 3 | — | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 23 | — | — | 23 |
| **Balance, June 30, 2023** | 106,469 | $ — | 82,900 | $ — | $ 1,597 | $ (2,294) | $ (709) | $ (1,406) |

**CARVANA CO. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) - (Continued)**
**(Unaudited)**
**(In millions, except number of shares, which are reflected in thousands)**

| | Class A Common Stock | | Class B Common Stock | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Non-controlling Interests | Total Stockholders' Equity (Deficit) |
| **Balance, December 31, 2023** | 114,239 | $ — | 85,619 | $ — | $ 1,869 | $ (1,626) | $ (627) | $ (384) |
| Net income | — | — | — | — | — | 28 | 21 | 49 |
| Exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises | 29 | — | — | — | (6) | — | 6 | — |
| Establishment of deferred tax assets related to increases in tax basis in Carvana Group | — | — | — | — | 1 | — | — | 1 |
| Establishment of valuation allowance related to deferred tax assets associated with increases in tax basis in Carvana Group | — | — | — | — | (1) | — | — | (1) |
| Contribution of Class A common stock from related party | (1) | — | — | — | — | — | — | — |
| Issuance of Class A common stock to settle vested restricted stock units | 2,272 | — | — | — | — | — | — | — |
| Options exercised | 19 | — | — | — | — | — | — | — |
| Equity-based compensation | — | — | — | — | 24 | — | — | 24 |
| **Balance, March 31, 2024** | 116,558 | $ — | 85,619 | $ — | $ 1,887 | $ (1,598) | $ (600) | $ (311) |
| Net income | — | — | — | — | — | 18 | 30 | 48 |
| Issuance of Class A common stock, net of underwriters' discounts and commissions and offering expenses | 3,047 | — | — | — | 347 | — | — | 347 |
| Adjustment to non-controlling interests related to equity offerings | — | — | — | — | (155) | — | 155 | — |
| Exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises | 73 | — | — | — | (4) | — | 4 | — |
| Establishment of deferred tax assets related to increases in tax basis in Carvana Group | — | — | — | — | 25 | — | — | 25 |
| Establishment of valuation allowance related to deferred tax assets associated with increases in tax basis in Carvana Group | — | — | — | — | (25) | — | — | (25) |
| Issuance of Class A common stock to settle vested restricted stock units | 1,172 | — | — | — | — | — | — | — |
| Issuance of Class A common stock under ESPP | 6 | — | — | — | 1 | — | — | 1 |
| Options exercised | 198 | — | — | — | 3 | — | — | 3 |
| Equity-based compensation | — | — | — | — | 27 | — | — | 27 |
| **Balance, June 30, 2024** | 121,054 | $ — | 85,619 | $ — | $ 2,106 | $ (1,580) | $ (411) | $ 115 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**CARVANA CO. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited, In millions)**

| | Six Months Ended June 30, | |
|---|---|---|
| | **2024** | **2023** |
| **Cash Flows from Operating Activities:** | | |
| Net income (loss) | $ 97 | $ (391) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization expense | 158 | 183 |
| Equity-based compensation expense | 45 | 34 |
| Loss on disposal of property and equipment | 2 | 6 |
| Loss on debt extinguishment | 2 | — |
| Payment-in-kind interest expense | 285 | — |
| Provision for bad debt and valuation allowance | 17 | 25 |
| Amortization of debt issuance costs | 9 | 14 |
| Unrealized gain on warrants to acquire Root Class A common stock | (53) | — |
| Unrealized gain on beneficial interests in securitizations | (14) | (5) |
| Changes in finance receivable related assets: | | |
| Originations of finance receivables | (3,888) | (2,913) |
| Proceeds from sale of finance receivables, net | 4,012 | 3,118 |
| Gain on loan sales | (317) | (214) |
| Principal payments received on finance receivables held for sale | 90 | 132 |
| Other changes in assets and liabilities: | | |
| Vehicle inventory | (70) | 564 |
| Accounts receivable | (88) | (86) |
| Other assets | 9 | 4 |
| Accounts payable and accrued liabilities | 145 | (24) |
| Operating lease right-of-use assets | (11) | 47 |
| Operating lease liabilities | 15 | (41) |
| Other liabilities | 10 | (10) |
| Net cash provided by operating activities | 455 | 443 |
| **Cash Flows from Investing Activities:** | | |
| Purchases of property and equipment | (40) | (50) |
| Proceeds from disposal of property and equipment | 8 | 33 |
| Payments for acquisitions, net of cash acquired | — | (7) |
| Principal payments received on and proceeds from sale of beneficial interests | 41 | 30 |
| Net cash provided by investing activities | 9 | 6 |
| **Cash Flows from Financing Activities:** | | |
| Proceeds from short-term revolving facilities | 1,746 | 4,536 |
| Payments on short-term revolving facilities | (2,342) | (4,909) |
| Proceeds from issuance of long-term debt | 101 | 62 |
| Payments on long-term debt | (303) | (85) |
| Payments of debt issuance costs | (3) | (2) |
| Net proceeds from issuance of Class A common stock | 347 | — |
| Proceeds from equity-based compensation plans | 3 | — |
| Tax withholdings related to restricted stock units and awards | — | (2) |
| Net cash used in financing activities | (451) | (400) |
| **Net increase in cash, cash equivalents and restricted cash** | 13 | 49 |
| Cash, cash equivalents and restricted cash at beginning of period | 594 | 628 |
| Cash, cash equivalents and restricted cash at end of period | $ 607 | $ 677 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

## NOTE 1 — BUSINESS ORGANIZATION

### Description of Business

Carvana Co. and its wholly-owned subsidiary Carvana Co. Sub LLC (collectively, "Carvana Co.," and, together with its consolidated subsidiaries, the "Company"), is the leading e-commerce platform for buying and selling used cars. The Company is transforming the used car sales experience by giving consumers what they want - a wide selection, great value and quality, transparent pricing, and a simple, no pressure transaction. Using the website or mobile application, customers can complete all phases of a used vehicle transaction, including financing their purchase, trading in their current vehicle, and purchasing complementary products such as vehicle service contracts ("VSC"), auto insurance, and GAP waiver coverage. Each element of the Company's business, from inventory procurement to fulfillment and overall ease of the online transaction, has been built for this singular purpose.

### Organization

Carvana Co. is a holding company that was formed as a Delaware corporation on November 29, 2016, for the purpose of completing its initial public offering ("IPO") and related transactions in order to operate the business of Carvana Group, LLC and its subsidiaries (collectively, "Carvana Group"). Substantially all of the Company's assets and liabilities represent the assets and liabilities of Carvana Group, except the Company's Senior Secured Notes and Senior Unsecured Notes (each as defined in Note 9 — Debt Instruments) which were issued by Carvana Co. and are guaranteed by its and Carvana Group's existing domestic restricted subsidiaries, excluding, in the case of the Senior Unsecured Notes, ADESA US Auction, LLC ("ADESA"), and its subsidiaries.

In accordance with Carvana Group, LLC's amended and restated limited liability company agreement (the "LLC Agreement"), Carvana Co. is the sole manager of Carvana Group and conducts, directs and exercises full control over the activities of Carvana Group. There are two classes of common ownership interests in Carvana Group, Class A common units (the "Class A Units") and Class B common units (the "Class B Units"). As further discussed in Note 10 — Stockholders' Equity (Deficit), the Class A Units and Class B Units (collectively, the "LLC Units") do not hold voting rights, which results in Carvana Group being considered a variable interest entity ("VIE"). Due to Carvana Co.'s power to control and its significant economic interest in Carvana Group, it is considered the primary beneficiary of the VIE and the Company consolidates the financial results of Carvana Group. As of June 30, 2024, Carvana Co. owned approximately 58.0% of Carvana Group and the LLC Unitholders (as defined in Note 10 — Stockholders' Equity (Deficit)) owned the remaining 42.0%.

## NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Certain information and footnote disclosures normally included in annual financial statements have been condensed or omitted. The Company believes the disclosures made are adequate to prevent the information presented from being misleading. However, the accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included within the Company's most recent Annual Report on Form 10-K filed on February 22, 2024.

The accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal and recurring items) necessary to present fairly the Company's financial position as of June 30, 2024, results of operations and changes in stockholders' equity (deficit) for the three and six months ended June 30, 2024 and 2023, and cash flows for the six months ended June 30, 2024 and 2023. Interim results are not necessarily indicative of full year performance because of the impact of seasonal and short-term variations.

Certain prior period amounts have been reclassified to conform to current period presentation to account for the additions of other operating expense, net and operating income (loss) in our accompanying unaudited condensed consolidated statements of operations.

As discussed in Note 1 — Business Organization, Carvana Group is considered a VIE and Carvana Co. consolidates its financial results due to the determination that it is the primary beneficiary. All intercompany balances and transactions have been eliminated.

**Liquidity**

The Company has incurred losses in prior periods and may incur additional losses in the future as it continues to focus on driving profitability through operating efficiency. Historically, the Company's capital and liquidity needs have been primarily satisfied through its debt and equity financings, operating cash flows, and short-term revolving facilities. During the three months ended June 30, 2024, the Company (i) repurchased and cancelled $250 million of principal amount of 2028 Senior Secured Notes (as defined below), (ii) received net cash proceeds of $347 million from its at-the-market offering program ("ATM Program"), and (iii) extended two of its short-term revolving credit facilities through August and October 2025, respectively. Management believes that current working capital, cash flows from operations, and expected continued or new financing arrangements will be sufficient to fund operations for at least one year from the financial statement issuance date.

**Use of Estimates**

The preparation of these unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions. Certain accounting estimates involve significant judgments, assumptions and estimates by management that have a material impact on the carrying value of certain assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period, which management considers to be critical accounting estimates. The judgments, assumptions and estimates used by management are based on historical experience, management’s experience, and other factors, which are believed to be reasonable under the circumstances. Because of the nature of the judgments and assumptions made by management, actual results could differ materially from these judgments and estimates, which could have a material impact on the carrying values of the Company's assets and liabilities and the results of operations.

**Accounting Standards Issued But Not Yet Adopted**

The Company assessed all Accounting Standards Updates issued but not yet adopted and determined they are not relevant to the Company or are not expected to have a material impact upon adoption.

**Securities and Exchange Commission ("SEC") Final Rules Issued But Not Yet Adopted**

In March 2024, the SEC issued its final rules on the enhancement and standardization of climate-related disclosures for investors. The rules will require registrants to disclose certain climate-related information in registration statements and annual reports on Form 10-K, including among others, climate-related financial metrics and qualitative and quantitative disclosures regarding greenhouse gas emissions. The final rules follow a phase-in timeline and would begin to apply prospectively to the Company's fiscal year beginning January 1, 2025. In April 2024, the SEC voluntarily stayed the effectiveness of the rules as a result of pending completion of judicial review of consolidated challenges to the rules. The Company is currently evaluating the potential impact of these rules on its consolidated financial statements and disclosures. However, there is uncertainty regarding the timing of their application and content.

**NOTE 3 — PROPERTY AND EQUIPMENT, NET**

The following table summarizes property and equipment, net as of June 30, 2024 and December 31, 2023:

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| | (in millions) | |
| Land and site improvements | $ 1,332 | $ 1,331 |
| Buildings and improvements | 1,372 | 1,344 |
| Transportation fleet | 551 | 570 |
| Software | 324 | 296 |
| Furniture, fixtures, and equipment | 144 | 144 |
| Total property and equipment excluding construction in progress | 3,723 | 3,685 |
| Less: accumulated depreciation and amortization on property and equipment | (911) | (775) |
| Property and equipment excluding construction in progress, net | 2,812 | 2,910 |
| Construction in progress | 55 | 72 |
| Property and equipment, net | $ 2,867 | $ 2,982 |

Depreciation and amortization expense on property and equipment in cost of sales was $ 35 million and $44 million during the three months ended June 30, 2024 and 2023, respectively. Depreciation and amortization expense on property and equipment in selling, general and administrative expense was $36 million and $42 million during the three months ended June 30, 2024 and 2023, respectively.

Depreciation and amortization expense on property and equipment in cost of sales was $ 74 million and $88 million during the six months ended June 30, 2024 and 2023, respectively. Depreciation and amortization expense on property and equipment in selling, general and administrative expense was $75 million and $86 million during the six months ended June 30, 2024 and 2023, respectively.

**NOTE 4 — INTANGIBLE ASSETS, NET**

The following table summarizes intangible assets, net as of June 30, 2024 and December 31, 2023:

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| | (in millions) | |
| Customer relationships | $ 50 | $ 50 |
| Developed technology | 41 | 41 |
| Intangible assets, acquired cost | 91 | 91 |
| Less: accumulated amortization | (48) | (39) |
| Intangible assets, net | $ 43 | $ 52 |

Amortization expense was $5 million and $4 million during the three months ended June 30, 2024 and 2023, respectively, and $ 9 million during each of the six months ended June 30, 2024 and 2023. As of June 30, 2024, the remaining weighted-average amortization period for definite-lived intangible assets was 4.5 years. The anticipated annual amortization expense to be recognized in future years as of June 30, 2024 is as follows:

| | Expected Future Amortization |
|---|---|
| | (in millions) |
| Remainder of 2024 | $ 9 |
| 2025 | 14 |
| 2026 | 7 |
| 2027 | 5 |
| 2028 | 3 |
| Thereafter | 5 |
| Total | $ 43 |

**NOTE 5 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The following table summarizes accounts payable and accrued liabilities as of June 30, 2024 and December 31, 2023:

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| | (in millions) | |
| Accounts payable, including $6 and $7, respectively, due to related parties | $ 275 | $ 231 |
| Sales taxes and vehicle licenses and fees | 95 | 77 |
| Reserve for returns and cancellations | 66 | 57 |
| Accrued compensation and benefits | 60 | 41 |
| Customer deposits | 49 | 30 |
| Accrued advertising costs | 14 | 4 |
| Accrued interest expense | 7 | 7 |
| Income tax liability | — | 3 |
| Accrued property and equipment | — | 1 |
| Other accrued liabilities | 176 | 145 |
| Total accounts payable and accrued liabilities | $ 742 | $ 596 |

**NOTE 6 — RELATED PARTY TRANSACTIONS**

**Lease Agreements**

In November 2014, the Company and DriveTime Automotive Group, Inc. (together with its consolidated affiliates, collectively, “DriveTime”), a related party of the Company due to Ernest Garcia II, Ernest Garcia III, and entities controlled by one or both of them (collectively the "Garcia Parties") controlling and owning substantially all of the interests in DriveTime, entered into a lease agreement, which currently governs the occupation of two inspection and reconditioning centers in Blue Mound, Texas and Delanco, New Jersey. The lease for the Blue Mound, Texas location expires in 2029, with two five-year renewal options, and the lease for the Delanco location expires in 2026, with no current renewal options. The Company makes monthly lease payments based on DriveTime's actual rent expense. In addition, the Company is responsible for the actual insurance costs, tenant improvements required to conduct operations, and real estate taxes.

In February 2017, the Company entered into a lease agreement with DriveTime for sole occupancy of a fully operational inspection and reconditioning center in Winder, Georgia. In May 2024, the lease expiration for the Winder location was extended to 2030, subject to two remaining renewal options of five years each.

Expenses related to these operating lease agreements are allocated based on usage to inventory and selling, general and administrative expenses in the accompanying unaudited condensed consolidated balance sheets and statements of operations. Costs allocated to inventory are recognized as cost of sales when the inventory is sold. Total costs related to these operating lease agreements, including those noted above, were $1 million during each of the three months ended June 30, 2024 and 2023, and $ 2 million during each the six months ended June 30, 2024 and 2023 allocated between inventory and selling, general and administrative expenses.

**Office Leases**

In September 2016, the Company entered into a lease for office space in Tempe, Arizona. In connection with that lease, the Company entered into a sublease with DriveTime for the use of another floor in the same building. The lease and sublease each had a term of 83 months, subject to the right to exercise three five-year extension options. Pursuant to the sublease, the Company paid the rent equal to the amounts due under DriveTime's master lease directly to DriveTime's landlord. The lease and sublease expired in February 2024. The rent expense incurred related to the first floor sublease was less than $1 million during the three months ended June 30, 2023 and during each of the six months ended June 30, 2024 and 2023.

In December 2019, Verde Investments, Inc., an affiliate of DriveTime ("Verde"), purchased an office building in Tempe, Arizona that the Company leased from an unrelated landlord prior to Verde's purchase. In connection with the purchase, Verde assumed that lease. The lease has an initial term of ten years, subject to the right to exercise two five-year extension options. The rent expense incurred under the lease with Verde was less than $ 1 million during each of the three and six months ended June 30, 2024 and 2023.

**Wholesale Sales and Revenues**

DriveTime purchases wholesale vehicles from, and sells wholesale vehicles to, both the Company and unrelated third parties through both competitive online auctions that are managed by unrelated third parties and the Company's wholesale marketplace platform. Additionally, beginning in September 2023, the Company has provided DriveTime with reconditioning services through its wholesale marketplace platform. The Company recognized $7 million and $5 million of wholesale sales and revenues from DriveTime, including for reconditioning services, during the three months ended June 30, 2024 and 2023, respectively, and $14 million and $10 million during the six months ended June 30, 2024 and 2023, respectively.

**Retail Vehicle Acquisitions and Reconditioning**

During the second quarter of 2021, the Company began acquiring reconditioned retail vehicles from DriveTime. The purchase price of each vehicle was equal to the wholesale price of the vehicle plus a fee for transportation and reconditioning services. As of June 30, 2024 and December 31, 2023, zero and less than $1 million, respectively, related to vehicles and reconditioning services were included in vehicle inventory in the accompanying unaudited condensed consolidated balance sheets.

**Master Dealer Agreement**

In December 2016, the Company entered into a master dealer agreement with DriveTime (the "Master Dealer Agreement"), most recently amended in April 2021, pursuant to which the Company may sell VSCs to customers purchasing a vehicle from the Company. The Company earns a commission on each VSC sold to its customers and DriveTime is obligated by and subsequently administers the VSCs. The Company collects the retail purchase price of the VSCs from its customers and remits the purchase price net of commission to DriveTime. The Master Dealer Agreement further allows the Company to receive payments for excess reserves based on the performance of the VSCs versus the reserves held by the VSC administrator, once a required claims period for such VSCs has passed. During the three months ended June 30, 2024 and 2023, the Company recognized $45 million and $33 million, respectively, and during the six months ended June 30, 2024 and 2023, the Company recognized $ 86 million and $68 million, respectively, of commissions earned on VSCs sold to its customers and administered by DriveTime, net of a reserve for estimated contract cancellations, and payments for excess reserves to which it expects to be

entitled. The commission earned on the sale of VSCs and expected payments for excess reserves is included in other sales and revenues in the accompanying unaudited condensed consolidated statements of operations.

Beginning in 2017, DriveTime also administers the Company's limited warranty provided to all customers. The Company pays a per-vehicle fee to DriveTime to administer the limited warranty included with every purchase. The Company incurred $4 million and $5 million during the three months ended June 30, 2024 and 2023, respectively, and $ 8 million and $9 million during the six months ended June 30, 2024 and 2023, respectively, related to the administration of limited warranty.

**Profit Sharing Agreement**

In June 2018, the Company entered into an agreement with an unaffiliated third party, pursuant to which the Company would sell certain Road Hazard ("RH") and Pre-Paid Maintenance ("PPM") contracts. Under this agreement, third parties would administer the RH and PPM contracts, including providing customer and administrative services, and pay a profit sharing component to the Company. In 2022, the Company began selling equivalent offerings from DriveTime, pursuant to the Master Dealer Agreement discussed above, and all rights and obligations in connection with existing RH and PPM contracts were transferred to DriveTime (the "Transferred Contracts"). Finally, in December 2022, the Company entered into a profit sharing agreement with DriveTime with regard to the Transferred Contracts (the "Profit Sharing Agreement"). The Company recognized $2 million and less than $1 million in revenue during the three months ended June 30, 2024 and 2023, respectively, and $ 3 million and less than $1 million during the six months ended June 30, 2024 and 2023, respectively, under the Profit Sharing Agreement.

**Servicing and Administrative Fees**

DriveTime provides servicing and administrative functions associated with the Company's finance receivables. The Company incurred expenses of $ 3 million and $4 million during the three months ended June 30, 2024 and 2023, respectively, and $5 million and $8 million during the six months ended June 30, 2024 and 2023, respectively, related to these services.

**Aircraft Time Sharing Agreement**

The Company entered into an agreement to share usage of two aircraft owned by Verde and operated by DriveTime on October 22, 2015, and the agreement was subsequently amended in 2017. Pursuant to the agreement, the Company agreed to reimburse DriveTime for actual expenses for each of its flights. The original agreement was for 12 months, with perpetual 12-month automatic renewals. Either the Company or DriveTime can terminate the agreement with 30 days' prior written notice. The Company reimbursed DriveTime less than $1 million under this agreement during each of the three and six months ended June 30, 2024 and 2023.

**Shared Services Agreement with DriveTime**

In November 2014, the Company and DriveTime entered into a shared services agreement whereby DriveTime provided certain accounting and tax, legal and compliance, information technology, telecommunications, benefits, insurance, real estate, equipment, corporate communications, software and production, and other services primarily to facilitate the transition of these services to the Company on a standalone basis (the "Shared Services Agreement"). The Shared Services Agreement was most recently amended and restated in February 2021 and operates on a year-to-year basis, with the Company having the right to terminate any or all services with 30 days' prior written notice and DriveTime having the right to terminate any or all services with 90 days' prior written notice. Charges allocated to the Company are based on the Company's actual use of the specific

services detailed in the Shared Services Agreement. The Company incurred less than $ 1 million in expenses related to the Shared Services Agreement during each of the three and six months ended June 30, 2024 and 2023.

**Accounts Payable Due to Related Party**

As of June 30, 2024 and December 31, 2023, $ 6 million and $ 7 million, respectively, was due to related parties primarily related to the agreements mentioned above, and is included in accounts payable and accrued liabilities in the accompanying unaudited condensed consolidated balance sheets.

As further discussed in Note 14 — Income Taxes, as of June 30, 2024 and December 31, 2023, the Company recorded a tax receivable agreement ("TRA") liability of $33 million and $14 million, respectively, of which $ 26 million and $11 million, respectively, is due to related parties. Refer to Note 14 — Income Taxes for further discussion of the TRA. As of June 30, 2024, $14 million is included in other current liabilities and $ 19 million is included in other liabilities on the accompanying unaudited condensed consolidated balance sheets. As of December 31, 2023, $14 million is included in other liabilities on the accompanying unaudited condensed consolidated balance sheets.

**Contributions of Class A Common Stock From Ernest Garcia III**

On January 5, 2022, in recognition of the Company selling its 1 millionth vehicle in the fourth quarter of 2021, the Company's CEO, Ernest Garcia III ("Mr. Garcia"), committed to giving then-current employees 23 shares of Class A common stock each from his personal shareholdings once employees reach their two-year employment anniversary ("CEO Milestone Gift" or "Gift"). As a result and during the three months ended March 31, 2022, the Company granted 23 restricted stock units ("RSUs") to each current employee, which vested after completion of their second year of employment, for a total of 435,035 RSUs granted during the period. For every Gift that vested, and pursuant to a contribution agreement (the "Contribution Agreement") entered into by and between the Company and Mr. Garcia on February 22, 2022, Mr. Garcia contributed to the Company, at the end of each fiscal quarter, the number of shares of Class A common stock, granted pursuant to the CEO Milestone Gift, that had vested during such quarter. The shares contributed were shares of Class A common stock that Mr. Garcia individually owned, at no charge. During the three months ended June 30, 2024 and 2023, zero and 15,778 RSUs, respectively, and during the six months ended June 30, 2024 and 2023, 1,104 and 31,625 RSUs, respectively, vested and an equal number of shares of Class A common stock were contributed by Mr. Garcia. As of January 2024, all RSUs granted pursuant to the CEO Milestone Gift had vested or been forfeited. Although the Company does not expect Mr. Garcia to incur any tax obligations related to the contribution, the Company has agreed to indemnify Mr. Garcia from any such obligations that may arise.

**NOTE 7 — FINANCE RECEIVABLE SALE AGREEMENTS**

The Company originates loans for its customers and sells them to partners and investors pursuant to finance receivable sale agreements. Historically, the Company has sold loans through two types of arrangements: forward flow agreements and fixed pool loan sales, including securitization transactions.

**Master Purchase and Sale Agreement**

In December 2016, the Company entered into a master purchase and sale agreement (the "Master Purchase and Sale Agreement" or "MPSA") with Ally Bank and Ally Financial Inc. (collectively the "Ally Parties"). Pursuant to the MPSA, the Company sells finance receivables meeting certain underwriting criteria under a committed forward flow arrangement without recourse to the Company for their post-sale performance. On January 11, 2024, the Company and the Ally Parties amended the MPSA to reestablish the commitment by the Ally Parties to purchase up to $4.0 billion of principal balances of finance receivables between January 11, 2024 and January 10, 2025.

During the three months ended June 30, 2024 and 2023, the Company sold $ 0.5 billion and $1.0 billion, respectively, in principal balances of finance receivables under the MPSA. During the six months ended June 30, 2024 and 2023, the Company sold $1.4 billion and $1.7 billion, respectively, in principal balances of finance receivables under the MPSA, and had $2.6 billion of unused capacity as of June 30, 2024.

**Securitization Transactions**

The Company sponsors and establishes securitization trusts to purchase finance receivables from the Company. The securitization trusts issue asset-backed securities, some of which are collateralized by the finance receivables that the Company sells to the securitization trusts. Upon sale of the finance receivables to the securitization trusts, the Company recognizes a gain or loss on sales of finance receivables. The net proceeds from the sales are the fair value of the assets obtained as part of the transactions and typically include cash and at least 5% of the beneficial interests issued by the securitization trusts to comply with the Risk Retention Rules as defined and further discussed in Note 8 — Securitizations and Variable Interest Entities.

During the three months ended June 30, 2024 and 2023, the Company sold $ 1.2 billion and $0.9 billion, respectively, in principal balances of finance receivables through securitization transactions. During the six months ended June 30, 2024 and 2023, the Company sold $2.0 billion and $1.3 billion, respectively, in principal balances of finance receivables through securitization transactions.

**Fixed Pool Loan Sale**

In May 2024, the Company completed a fixed pool loan sale of $ 0.4 billion in principal balances of finance receivables to an unrelated third party on terms substantially similar to the Company's securitization transactions and sales under the MPSA.

**Gain on Loan Sales**

The total gain related to finance receivables sold to financing partners and pursuant to securitization transactions was $ 173 million and $150 million during the three months ended June 30, 2024 and 2023, respectively, and $317 million and $214 million during the six months ended June 30, 2024 and 2023, respectively, which is included in other sales and revenues in the accompanying unaudited condensed consolidated statements of operations.

**NOTE 8 — SECURITIZATIONS AND VARIABLE INTEREST ENTITIES**

As noted in Note 7 — Finance Receivable Sale Agreements, the Company sponsors and establishes securitization trusts to purchase finance receivables from the Company. The securitization trusts issue asset-backed securities, some of which are collateralized by the finance receivables that the Company sells to the securitization trusts. Upon sale of the finance receivables to the securitization trusts, the Company recognizes a gain or loss on sales of finance receivables. The net proceeds from the sales are the fair value of the assets obtained as part of the transactions and typically include cash and at least 5% of the beneficial interests issued by the securitization trusts to comply with Regulation RR of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Risk Retention Rules"). The beneficial interests retained by the Company include, but are not limited to, rated notes and certificates of the securitization trusts. The holders of the certificates issued by the securitization trusts have rights to cash flows only after the holders of the notes issued by the securitization trusts have received their contractual cash flows. The securitization trusts have no direct recourse to the Company's assets, and holders of the securities issued by the securitization trusts can look only to the assets of the securitization trusts that issued their securities for payment. The beneficial interests held by the Company are subject principally to the credit and prepayment risk stemming from the underlying finance receivables.

The securitization trusts established in connection with asset-backed securitization transactions are VIEs. For each VIE that the Company establishes in its role as sponsor of securitization transactions, it performs an analysis to determine whether or not it is the primary beneficiary of the VIE. The Company's continuing involvement with the VIEs consists of retaining a portion of the securities issued by the VIEs, providing industry standard representations and warranties regarding the underlying finance receivables, and performing ministerial duties as the trust administrator. As of June 30, 2024, the Company was not the primary beneficiary of these securitization trusts because its retained interests in the VIEs do not have exposures to losses or benefits that could potentially be significant to the VIEs. As such, the Company does not consolidate the securitization trusts.

The assets the Company retains in the unconsolidated VIEs are presented as beneficial interests in securitizations on the accompanying unaudited condensed consolidated balance sheets, which as of June 30, 2024 and December 31, 2023 were $421 million and $366 million, respectively. The Company held no other assets or liabilities related to its involvement with unconsolidated VIEs as of June 30, 2024 and December 31, 2023.

The following table summarizes the carrying value and total exposure to losses of its assets related to unconsolidated VIEs with which the Company has continuing involvement, but is not the primary beneficiary at June 30, 2024 and December 31, 2023. Total exposure represents the estimated loss the Company would incur under severe, hypothetical circumstances, such as if the value of the interests in the securitization trusts and any associated collateral declined to zero. The Company believes the possibility of this is remote. As such, the total exposure presented below is not an indication of the Company's expected losses.

| | June 30, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | Carrying Value | Total Exposure | Carrying Value | Total Exposure |
| | (in millions) | | | |
| Rated notes | $ 331 | $ 331 | $ 287 | $ 287 |
| Certificates and other assets | 90 | 90 | 79 | 79 |
| Total unconsolidated VIEs | $ 421 | $ 421 | $ 366 | $ 366 |

The beneficial interests in securitizations are considered securities available for sale subject to restrictions on transfer pursuant to the Company's obligations as a sponsor under the Risk Retention Rules. As described in Note 9 — Debt Instruments, the Company has entered into secured borrowing facilities through which it finances certain of these retained beneficial interests in securitizations. These securities are interests in securitization trusts, thus there are no contractual maturities. The amortized cost and fair value of securities available for sale as of June 30, 2024 and December 31, 2023 were as follows:

| | June 30, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| | (in millions) | | | |
| Rated notes | $ 335 | $ 331 | $ 294 | $ 287 |
| Certificates and other assets | 81 | 90 | 71 | 79 |
| Total securities available for sale | $ 416 | $ 421 | $ 365 | $ 366 |

**NOTE 9 — DEBT INSTRUMENTS**

Debt instruments, excluding finance leases, which are discussed in Note 15 — Leases, as of June 30, 2024 and December 31, 2023 consisted of the following:

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| | (in millions) | |
| Asset-based financing: | | |
| Floor plan facility | $ 72 | $ 113 |
| Finance receivable facilities | — | 555 |
| Financing of beneficial interests in securitizations | 334 | 293 |
| Real estate financing | 485 | 485 |
| Total asset-based financing | 891 | 1,446 |
| Senior Secured Notes (1) | 4,405 | 4,378 |
| Senior Unsecured Notes | 205 | 205 |
| Total debt | 5,501 | 6,029 |
| Less: current portion | (198) | (777) |
| Less: unamortized debt issuance costs (2) | (53) | (60) |
| Plus: unamortized premium (3) | 32 | 37 |
| Total included in long-term debt, net | $ 5,282 | $ 5,229 |

(1) Includes $210 million and $185 million of accrued PIK interest as of June 30, 2024 and December 31, 2023, respectively. Accrued PIK interest increases the principal amount of Senior Secured Notes on each semi-annual interest payment date.
(2) The unamortized debt issuance costs related to long-term debt are presented as a reduction of the carrying amount of the corresponding liabilities on the accompanying unaudited condensed consolidated balance sheets. Unamortized debt issuance costs related to revolving debt arrangements are presented within other assets on the accompanying unaudited condensed consolidated balance sheets and not included here.
(3) The unamortized premium relates to a portion of the notes exchange offers completed in September 2023 which were accounted for as a debt modification.

**Short-Term Revolving Facilities**

*Floor Plan Facility*

The Company previously entered into a floor plan facility with the Ally Parties to finance its vehicle inventory, which was secured by Carvana LLC's vehicle inventory, general intangibles, accounts receivable, and finance receivables (as amended, the "Floor Plan Facility"). On September 1, 2023, the Company amended the Floor Plan Facility in connection with the issuance of the Senior Secured Notes (as defined below) to provide for an additional exclusive grant of collateral over certain deposit accounts and the cash on deposit in those accounts in favor of the lender and to amend certain other affirmative and negative covenants. The Company amended and restated the Floor Plan Facility on November 1, 2023 to resize the line of credit to $1.5 billion through April 30, 2025 and to lower the interest rate to (i) a prime rate plus 0.10% when amounts drawn under the facility are under 50% of the then current inventory balance and (ii) a prime rate plus 0.50% when amounts drawn are over 50%.

Under the Floor Plan Facility, repayment of amounts drawn for the purchase of a vehicle should generally be made within several days after selling or otherwise disposing of the vehicle. Outstanding balances related to vehicles held in inventory for more than 120 days require monthly principal payments equal to 10% of the original principal amount of that vehicle until the remaining outstanding balance is equal to the lesser of (i) 50% of the original principal amount or (ii) 50% of the wholesale value. Prepayments may be made without incurring a premium or penalty. Additionally, the Company is permitted to make prepayments to the lender to be held as principal payments under the Floor Plan Facility and subsequently reborrow such amounts. The Floor Plan Facility also requires monthly interest payments and restricted cash requirements on a sliding scale

whereby at least 12.5% of the total principal amount owed to the lender is required to be held as restricted cash if amounts drawn are under 50% of the then current inventory balance, which requirement increases to (i) 17.5% required to be held as restricted cash if amounts drawn are between 50% and 59.99%, (ii) 22.5% required to be held as restricted cash if amounts drawn are between 60% and 69.99%, and (iii) 25% required to be held as restricted cash if amounts drawn are equal to or over 70%. The Company is also required to pay the lender an availability fee based on the average unused capacity during the prior calendar quarter under the Floor Plan Facility.

As of June 30, 2024, the Company had $ 72 million outstanding under the facility, unused capacity of $ 1.4 billion, and held $ 9 million in restricted cash related to this facility. During the three months ended June 30, 2024, the Company's effective interest rate on the facility was 6.81%.

As of December 31, 2023, the Company had $ 113 million outstanding under the facility, unused capacity of $ 1.4 billion, and held $ 14 million in restricted cash related to this facility. During the year ended December 31, 2023, the Company's effective interest rate on the facility was 7.86%.

*Finance Receivable Facilities*

The Company has various short-term revolving credit facilities to fund certain finance receivables originated by the Company prior to selling them, which are typically secured by the finance receivables pledged to them (the "Finance Receivable Facilities").

In January 2020, the Company entered into an agreement pursuant to which a lender agreed to provide a revolving credit facility to fund certain finance receivables originated by the Company. In 2023, the Company amended its agreement to, among other things, adjust the line of credit to $500 million, and in January 2024, the maturity date was extended to January 19, 2025.

In February 2020, the Company entered into an agreement pursuant to which a second lender agreed to provide a $ 500 million revolving credit facility to fund certain finance receivables originated by the Company. In December 2021, the Company amended its agreement to, among other things, increase the line of credit to $600 million, and in December 2023, the maturity date was extended to December 8, 2025.

In April 2021, the Company entered into an agreement pursuant to which a third lender agreed to provide a $ 500 million revolving credit facility to fund certain finance receivables originated by the Company. In December 2021, the Company amended its agreement to, among other things, increase this line of credit to $600 million, and in March 2024, the maturity date was extended to April 12, 2024, on which day the maturity date was further extended to October 10, 2025.

In March 2022, the Company entered into an agreement pursuant to which a fourth lender agreed to provide a $ 500 million revolving credit facility to fund certain finance receivables originated by the Company. In September 2023, the Company amended its agreement to extend the maturity date to September 18, 2024.

In May 2023, the Company entered into an agreement pursuant to which a fifth lender agreed to provide a $ 500 million revolving credit facility to fund certain finance receivables originated by the Company until May 31, 2024. In May 2024, the Company amended its agreement to extend the maturity date to August 15, 2025.

The Finance Receivable Facilities require that any undistributed amounts collected on the pledged finance receivables be held as restricted cash. The Finance Receivable Facilities require monthly payments of interest and fees based on usage and unused facility amounts. The Finance Receivable Facilities self-amortize from the end of the draw period until maturity, offer full prepayment rights, and have no credit sublimits or aging restrictions, subject to negotiated concentration limits. The subsidiaries that entered into these Finance Receivable Facilities are each wholly-owned, special purpose entities whose assets are not available to the general creditors of the Company. As of June 30, 2024 and December 31, 2023, the Company had zero and $555 million, respectively, outstanding under these Finance Receivable Facilities, unused capacity of $ 2.7 billion and $2.1 billion, respectively, and held $ 16 million and $ 8 million, respectively, in restricted cash related to these Finance Receivable Facilities. During the three months ended June 30, 2024, the Company's effective interest rate on these Finance Receivable

Facilities was 7.45%. During the year ended December 31, 2023, the Company's effective interest rate on these Finance Receivable Facilities was 6.60%.

**Long-Term Debt**

*Senior Secured Notes*

The Company has issued various tranches of Senior Secured Notes (collectively, the "Senior Secured Notes") as further described below:

| Senior Secured Notes | June 30, 2024 | December 31, 2023 | Year 1 PIK Interest Rate | Year 2 Cash/PIK Toggle Interest Rate | Thereafter Cash Interest Rate |
|---|---|---|---|---|---|
| | | | (in millions, except percentages) | | |
| Notes due December 1, 2028 (the "2028 Senior Secured Notes") | $ 784 | $ 981 | 12% | 9%/12% | 9% |
| Notes due June 1, 2030 (the "2030 Senior Secured Notes") | 1,559 | 1,471 | 13% | 11%/13% | 9% |
| Notes due June 1, 2031 (the "2031 Senior Secured Notes") | 1,852 | 1,741 | 14% | --/14% | 9% |
| Accrued PIK interest | 210 | 185 | | | |
| Total principal amount | $ 4,405 | $ 4,378 | | | |
| Less: unamortized debt issuance costs | (46) | (53) | | | |
| Plus: unamortized premium | 32 | 37 | | | |
| Total Senior Secured debt | $ 4,391 | $ 4,362 | | | |

Interest on each of the Senior Secured Notes is payable semi-annually on February 15 and August 15, beginning on February 15, 2024. On February 15, 2024 and as required by the indentures governing the Senior Secured Notes, the Company paid interest in kind of $53 million, $88 million, and $111 million on the 2028, 2030, and 2031 Senior Secured Notes, respectively.

The Company may redeem some or all of each series of Senior Secured Notes at any time prior to certain specified redemption dates (the "Secured Early Redemption Dates") and at 100% of the principal amount outstanding plus applicable make-whole premiums set forth in each respective indenture, plus any accrued and unpaid interest to the redemption date. Prior to the Secured Early Redemption Dates, the Company may also redeem up to 35% of the original aggregate principal amount of the 2028 and 2030 Senior Secured Notes at a redemption price equal to 109% of the principal amount outstanding, together with accrued and unpaid interest to, but not including, the date of redemption, using the net cash proceeds of certain equity offerings. Finally, on or after the Secured Early Redemption Dates, the Company may redeem its Senior Secured Notes in whole or in part at redemption prices set forth in each respective indenture, plus accrued and unpaid interest up to but excluding the redemption date. If the Company experiences certain change of control events, it must make an offer to purchase all of the Senior Secured Notes at 101% of the principal amount thereof, plus any accrued and unpaid interest, to the repurchase date.

During the three months ended June 30, 2024, the Company repurchased $ 250 million of principal amount of the 2028 Senior Secured Notes in the open market for $259 million, which included $7 million of accrued PIK interest. The repurchased notes were cancelled upon receipt. The repurchases are treated as an extinguishment of debt, with any realized discount (premium) recognized as a gain (loss) on debt extinguishment in the accompanying unaudited condensed consolidated statements of operations, net of transaction fees and write-offs of related unamortized debt issuance costs and unamortized premium. As a result of the repurchases, the Company recognized a net loss on debt extinguishment of $2 million, which included $1 million of transaction fees and write-offs of related unamortized debt issuance costs and unamortized premium.

The Senior Secured Notes mature as specified in the table above unless earlier repurchased or redeemed and are fully and unconditionally guaranteed on a senior secured basis, jointly and severally, by all of the domestic restricted subsidiaries of the Company (other than, subject to certain exceptions, any subsidiary that constitutes an "immaterial subsidiary," "captive

insurance subsidiary," "securitization subsidiary" or "permitted joint venture"). The Senior Secured Notes and the guarantees are secured by (i) second-priority liens on certain assets and property of the Company, pledged in favor of the Ally Parties under the Floor Plan Facility and (ii) first-priority liens on certain assets and property of the Company and the guarantors, as identified in the indentures to the Senior Secured Notes.

The indentures to the Senior Secured Notes contain restrictive covenants that limit the ability of the Company and its restricted subsidiaries to, among other things and subject to certain exceptions, incur additional debt or issue preferred stock, create new liens, create restrictions on intercompany payments, pay dividends and make other distributions in respect of the Company's capital stock, redeem or repurchase the Company's capital stock or prepay subordinated indebtedness, make certain investments or certain other restricted payments, guarantee indebtedness, designate unrestricted subsidiaries, sell certain kinds of assets, enter into certain types of transactions with affiliates, and effect mergers or consolidations.

*Senior Unsecured Notes*

The Company has issued various tranches of Senior Unsecured Notes (the "Senior Unsecured Notes") each under a separate indenture, as further described below:

| Senior Unsecured Notes | June 30, 2024 | December 31, 2023 | Interest Rate |
|---|---|---|---|
| | (in millions, except percentages) | | |
| Notes due October 1, 2025 ("2025 Senior Unsecured Notes") | $ 98 | 98 | 5.625 % |
| Notes due April 15, 2027 ("2027 Senior Unsecured Notes") | 32 | 32 | 5.500 % |
| Notes due October 1, 2028 ("2028 Senior Unsecured Notes") | 22 | 22 | 5.875 % |
| Notes due September 1, 2029 ("2029 Senior Unsecured Notes") | 26 | 26 | 4.875 % |
| Notes due May 1, 2030 ("2030 Senior Unsecured Notes") | 27 | 27 | 10.250 % |
| Total principal amount | 205 | 205 | |
| Less: unamortized debt issuance costs | (1) | (1) | |
| Total Senior Unsecured debt | $ 204 | $ 204 | |

Each of the 2025, 2027, 2028 and 2029 Senior Unsecured Notes were issued pursuant to an indenture entered into by and among the Company, each of the guarantors party thereto and U.S. Bank National Association, as trustee. The 2030 Senior Unsecured Notes were issued pursuant to an indenture entered into by and among the Company, each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. Interest on each of the Senior Unsecured Notes is payable semi-annually. The Senior Unsecured Notes mature as specified in the table above unless earlier repurchased or redeemed and are guaranteed by certain of the Company's subsidiaries. In March 2023, the Company designated ADESA and its subsidiaries as unrestricted subsidiaries under the indentures governing the Senior Unsecured Notes.

The Company may redeem some or all of each series of Senior Unsecured Notes at any time prior to certain specified redemption dates (the "Unsecured Early Redemption Dates") at the redemption prices and applicable make-whole premiums set forth in each respective indenture, plus any accrued and unpaid interest to the redemption date. Prior to the Unsecured Early Redemption Dates, the Company may also redeem up to 35% of the aggregate principal amount at a redemption price equal to 100% plus the respective interest rate specified in the table above, together with accrued and unpaid interest to, but not including, the date of redemption, with the net cash proceeds of certain equity offerings. With respect to the 2030 Senior Unsecured Notes, the Company may, at its option, redeem in the aggregate up to 10% of the original aggregate principal amount of the 2030 Senior Unsecured Notes during the period from, and including, May 1, 2025 to, but excluding May 1, 2027, at a redemption price equal to 105.125% of the 2030 Senior Unsecured Notes to be redeemed, plus accrued and unpaid interest thereon to the relevant redemption rate. Finally, on or after the Unsecured Early Redemption Dates, the Company may redeem some or all of the Senior Unsecured Notes in whole or in part at redemption prices set forth in each respective indenture, plus accrued and unpaid interest up to but excluding the redemption date.

*Real Estate Financing*

The Company finances certain purchases and construction of its property and equipment through various sale and leaseback transactions. As of June 30, 2024, none of these transactions have qualified for sale accounting due to meeting the

criteria for finance leases, or forms of continuing involvement, such as repurchase options or renewal periods that extend the lease for substantially all of the asset's remaining useful life, and are therefore accounted for as financing transactions. These arrangements require monthly payments and have initial terms of 20 to 25 years. Some of the agreements are subject to renewal options of up to 25 years and some are subject to base rent increases throughout the term. As of both June 30, 2024 and December 31, 2023, the outstanding liability associated with these sale and leaseback arrangements, net of unamortized debt issuance costs, was $482 million, and was included in long-term debt in the accompanying unaudited condensed consolidated balance sheets.

*Financing of Beneficial Interests in Securitizations*

As discussed in Note 8 — Securitizations and Variable Interest Entities, the Company has retained certain beneficial interests in securitizations pursuant to the Company's obligations as a sponsor under the Risk Retention Rules. Beginning in June 2019, the Company entered into secured borrowing facilities through which it finances certain retained beneficial interests in securitizations whereby the Company sells such interests and agrees to repurchase them for their fair value at a stated time of repurchase.

As of June 30, 2024 and December 31, 2023, the Company had pledged $ 334 million and $293 million, respectively, of its beneficial interests in securitizations as collateral under the repurchase agreements with expected repurchases ranging from June 2025 to June 2031. The securitization trusts distribute payments related to the Company's pledged beneficial interests in securitizations directly to the lenders, which reduces the beneficial interests in securitizations and the related debt balance. Pledged collateral levels are monitored daily and are generally maintained at an agreed-upon percentage of the fair value of the amounts borrowed during the life of the transactions. In the event of a decline in the fair value of the pledged collateral, the repurchase price of the pledged collateral will be increased by the amount of the decline.

The outstanding balance of these facilities, net of unamortized debt issuance costs, was $ 331 million and $ 290 million as of June 30, 2024 and December 31, 2023, respectively, of which $125 million and $108 million, respectively, was included in current portion of long-term debt in the accompanying unaudited condensed consolidated balance sheets.

As of June 30, 2024, the Company was in compliance with all debt covenants.

**NOTE 10 — STOCKHOLDERS' EQUITY (DEFICIT)**

**Classes of Common Stock and LLC Units**

Carvana Co.'s amended and restated certificate of incorporation, among other things, authorizes (i) 50 million shares of Preferred Stock, par value $ 0.01 per share, (ii) 500 million shares of Class A common stock, par value $0.001 per share, and (iii) 125 million shares of Class B common stock, par value $ 0.001 per share. Each share of Class A common stock generally entitles its holder to one vote on all matters to be voted on by stockholders. Each share of Class B common stock held by the Garcia Parties generally entitles its holder to ten votes on all matters to be voted on by stockholders, for so long as the Garcia Parties maintain direct or indirect beneficial ownership of at least 25% of the outstanding shares of Carvana Co.'s Class A common stock determined on an as-exchanged basis assuming that all of the Class A Units and Class B Units were exchanged for Class A common stock. All other shares of Class B common stock generally entitle their holders to one vote per share on all matters to be voted on by stockholders. Holders of Class B common stock are not entitled to receive dividends and would not be entitled to receive any distributions upon the liquidation, dissolution or winding down of the Company. Holders of Class A and Class B common stock vote together as a single class on all matters presented to stockholders for their vote or approval, except as otherwise required by applicable law.

Carvana Group's amended and restated LLC Agreement provides for two classes of common ownership interests in Carvana Group: (i) Class A Units and (ii) Class B Units (together, the "LLC Units"). Carvana Co. is required to, at all times, maintain (i) a four-to-five ratio between the number of shares of Class A common stock issued and outstanding by Carvana Co. and the number of Class A Units owned by Carvana Co. (subject to certain exceptions for treasury shares and shares underlying certain convertible or exchangeable securities and subject to adjustment as set forth in the exchange agreement (the "Exchange Agreement") further discussed below, and taking into account Carvana Co. Sub LLC's 0.1% ownership interest in Carvana, LLC) and (ii) a four-to-five ratio between the number of shares of Class B common stock owned by the original holders of LLC units prior to the IPO (the "Original LLC Unitholders") and the number of Class A Units owned by the Original LLC

Unitholders. The Company may issue shares of Class B common stock only to the extent necessary to maintain these ratios. Shares of Class B common stock are transferable only if an Original LLC Unitholder elects to exchange them, together with 1.25 times as many LLC Units, for consideration from the Company. Such consideration from the Company can be, at the Company's election, either shares of Class A common stock or cash.

As of June 30, 2024 and December 31, 2023, there were 258 million and 250 million Class A Units, respectively, and 2 million Class B Units at both dates (as adjusted for the participation thresholds and closing price of Class A common stock on June 30, 2024 and December 31, 2023), issued and outstanding. As discussed in Note 12 — Equity-Based Compensation, Class B Units were issued under the Company's LLC Equity Incentive Plan (the "LLC Equity Incentive Plan") and are subject to a participation threshold, and are earned over the requisite service period.

**At-the-Market Offering**

On July 19, 2023, the Company entered into a distribution agreement with Citigroup Global Markets Inc. and Moelis & Company LLC, whereby the Company may sell up to the greater of (i) shares of Class A common stock representing an aggregate offering price of $1.0 billion, or (ii) an aggregate of 35 million shares of Class A common stock, from time to time, through an ATM Program.

The following table summarizes the activity pursuant to the ATM Program for the three and six months ended June 30, 2024. There was no activity under the ATM Program during the three months ended March 31, 2024.

| | | Three and Six Months Ended June 30, 2024 |
|---|---|---|
| | | (in millions, except share and per share amounts) |
| Shares of Class A common stock issued | | 3,047,468 |
| Weighted-average issuance price per share | $ | 114.85 |
| Gross proceeds[(1)] | $ | 350 |

(1) Net proceeds were $347 million after deducting $3 million of commissions and other offering expenses incurred.

**Exchange Agreement**

Carvana Co. and the Original LLC Unitholders together with any holders of LLC Units issued subsequent to the IPO (together, the "LLC Unitholders") entered into an Exchange Agreement under which each LLC Unitholder (and certain permitted transferees thereof) may receive shares of the Company's Class A common stock in exchange for their LLC Units on a four-to-five conversion ratio, or cash at the option of the Company, subject to (i) conversion ratio adjustments for stock splits, stock dividends, reclassifications and similar transactions, (ii) vesting for certain LLC Units, and (iii) the respective participation threshold for Class B Units. To the extent such owners also hold Class B common stock, they are required to deliver to Carvana Co. a number of shares of Class B common stock equal to the number of shares of Class A common stock being exchanged for. Any shares of Class B common stock so delivered are canceled. The number of exchangeable Class B Units is determined based on the value of Carvana Co.'s Class A common stock and the applicable participation threshold. Finally, in connection with each exchange, in order to preserve the required four-to-five ratio between the number of shares of Class A common stock issued and outstanding by Carvana Co. and the number of Class A Units owned by Carvana Co., an equivalent number of LLC units to the LLC units exchanged are issued to Carvana Co.

The exchanges affected pursuant to the Exchange Agreement during the three and six months ended June 30, 2024 and 2023 were as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (in millions) | | | |
| LLC Units exchanged by certain LLC Unitholders | 0.1 | — | 0.1 | 0.0 |
| Shares of Class B common stock retired | — | — | — | — |
| Newly issued Class A common stock | 0.1 | — | 0.1 | 0.0 |
| LLC Units received by Carvana Co. | 0.1 | — | 0.1 | 0.0 |

**Class A Non-Convertible Preferred Units**

In accordance with the Carvana Group, LLC amended and restated LLC Agreement, and in connection with the issuance of Senior Secured Notes or Senior Unsecured Notes by Carvana Co., Carvana Group, LLC is authorized to issue Class A Non-Convertible Preferred Units to Carvana Co. In each case, the consideration for the capital contribution made or deemed to have been made by Carvana Co. is equal to the net proceeds of notes issuances. As of June 30, 2024, Carvana Co. holds 4.4 million Class A Non-Convertible Preferred Units.

When Carvana Co. makes payments on the Senior Unsecured Notes and Senior Secured Notes (collectively the "Senior Notes"), Carvana Group makes an equal cash distribution, as necessary, to the Class A Non-Convertible Preferred Units. For each $1,000 principal amount of Senior Notes that Carvana Co. repays or otherwise retires, one Class A Non-Convertible Preferred Unit is canceled and retired. During the three months ended June 30, 2024, the Company cancelled and retired 0.25 million of Class A Non-Convertible Preferred Units in conjunction with the repurchases of 2028 Senior Secured Notes as discussed in Note 9 — Debt Instruments.

**Tax Asset Preservation Plan**

On January 16, 2023, the Company entered into a Section 382 Rights Agreement, which was later amended and restated (the “Tax Asset Preservation Plan”). On June 3, 2024, the Company determined that the Tax Asset Preservation Plan was no longer necessary for the preservation of material valuable Tax Attributes (as defined therein) and set a final expiration date of June 4, 2024, upon which date the preferred share purchase rights expired and the Tax Asset Preservation Plan terminated. In connection therewith, the associated Series B Preferred Stock underlying the preferred share purchase rights was eliminated by the filing of a Certificate of Elimination with the State of Delaware on June 5, 2024, returning such Preferred Stock to authorized but undesignated shares.

**NOTE 11 — NON-CONTROLLING INTERESTS**

As discussed in Note 1 — Business Organization, Carvana Co. consolidates the financial results of Carvana Group and reports a non-controlling interest related to the portion of Carvana Group owned by the LLC Unitholders. Changes in the ownership interest in Carvana Group while Carvana Co. retains its controlling interest will be accounted for as equity transactions. Exchanges of LLC Units result in a change in ownership and reduce the amount recorded as non-controlling interests and increase additional paid-in capital.

Upon the issuance of shares of Class A common stock by Carvana Co. related to the Company’s equity compensation plans such as the exercise of options, issuance of restricted or non-restricted stock, payment of bonuses in stock or settlement of stock appreciation rights in stock, Carvana Group is required to issue to Carvana Co. a number of Class A Units equal to 1.25 times the number of shares of Class A common stock being issued in connection with the exercise of such options or issuance of other types of equity compensation, subject to adjustment for stock splits, stock dividends, reclassifications, and similar transactions. Activity related to the Company's equity compensation plans may result in a change in ownership which will impact the amount recorded as non-controlling interest and additional paid-in capital.

The non-controlling interest related to the Class B Units is determined based on the respective participation thresholds and the share price of Class A common stock on an as-converted basis. To the extent that the number of as-converted Class B Units change or Class B Units are forfeited, the resulting difference in ownership will be accounted for as equity transactions adjusting the non-controlling interest and additional paid-in capital.

During the six months ended June 30, 2024 and 2023, the total adjustments related to exchanges of LLC Units and to non-controlling interest related to restricted stock unit ("RSU") vesting and stock option ("NQSO") exercises were an increase and decrease in non-controlling interests and a corresponding decrease and increase in additional paid-in capital of $10 million and $1 million, respectively, which have been included in exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises in the accompanying unaudited condensed consolidated statements of stockholders' equity (deficit). During the six months ended June 30, 2024, Carvana Co. utilized the net proceeds from its ATM Program to purchase Class A Units, which resulted in adjustments to increase non-controlling interests and to decrease additional paid-in capital by $155 million, which have been included in adjustment to non-controlling interests related to equity offerings in the accompanying unaudited condensed consolidated statements of stockholders' equity (deficit).

As of June 30, 2024, Carvana Co. owned approximately 58.0% of Carvana Group with the LLC Unitholders owning the remaining 42.0%. The net income (loss) attributable to the non-controlling interests on the accompanying unaudited condensed consolidated statements of operations represents the portion of the net income (loss) attributable to the economic interest in Carvana Group held by the non-controlling LLC Unitholders calculated based on the weighted average non-controlling interests' ownership during the periods presented.

| | Six Months Ended June 30, | |
|---|---|---|
| | 2024 | 2023 |
| | (in millions) | |
| Transfers (to) from non-controlling interests: | | |
| Decrease as a result of issuances of Class A and B common stock | $ (155) | $ — |
| (Decrease) increase as a result of exchanges of LLC Units and adjustments to non-controlling interests related to RSU vesting and NQSO exercises | $ (10) | $ 1 |
| Total transfers (to) from non-controlling interests | $ (165) | $ 1 |

**NOTE 12 — EQUITY-BASED COMPENSATION**

Equity-based compensation is recognized based on amortizing the grant-date fair value on a straight-line basis over the requisite service period, which is generally the vesting period of the award, less actual forfeitures. A summary of equity-based compensation recognized during the three and six months ended June 30, 2024 and 2023 is as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (in millions) | | | |
| Restricted Stock Units and Awards | $ 22 | $ 19 | $ 41 | $ 32 |
| Stock Options | 5 | 4 | 10 | 8 |
| Total equity-based compensation | 27 | 23 | 51 | 40 |
| Equity-based compensation capitalized to property and equipment | (3) | (3) | (5) | (5) |
| Equity-based compensation capitalized to inventory | (1) | (1) | (1) | (1) |
| Equity-based compensation, net of capitalized amounts | $ 23 | $ 19 | $ 45 | $ 34 |

During each of the three months ended June 30, 2024 and 2023, the Company capitalized $ 3 million of equity-based compensation to property and equipment related to software development and $1 million to inventory related to reconditioning and inbound transportation of vehicles. During each of the six months ended June 30, 2024 and 2023, the Company capitalized $5 million of equity-based compensation to property and equipment related to software development and $ 1 million to inventory related to reconditioning and inbound transportation of vehicles. All other equity-related compensation is included in selling, general, and administrative expenses in the accompanying unaudited condensed consolidated statements of operations.

As of June 30, 2024, the total unrecognized equity-based compensation related to outstanding awards was $ 235 million, which the Company expects to recognize over a weighted-average period of approximately 2.9 years. Total unrecognized equity-based compensation will be adjusted for actual forfeitures.

**2017 Omnibus Incentive Plan**

In connection with the IPO, the Company adopted the 2017 Omnibus Incentive Plan (the "2017 Incentive Plan"). The number of shares authorized for issuance under the 2017 Incentive Plan is subject to an automatic annual increase (the "Automatic Increase") of the lesser of two percent of the Company's outstanding Class A common stock or an amount determined by the Compensation and Nominating Committee of the Board. On each of January 1, 2024 and 2023, the number of shares authorized for issuance under the 2017 Incentive Plan increased by two percent of the then outstanding Class A common stock under the Automatic Increase. As of June 30, 2024, 17 million shares remained available for future equity-based award grants under this plan.

The Company also maintains a clawback policy (the "Clawback Policy"), which requires the Company's officers, as defined by Rule 16a-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to repay the Company certain Incentive Compensation (as defined in the Clawback Policy) in the event of certain accounting restatements to the financial statements. To date, there has been no repayment of compensation from executive officers pursuant to the Clawback Policy.

*Employee Stock Purchase Plan*

In May 2021, the Company adopted an employee stock purchase plan (the "ESPP"), which went into effect on July 1, 2021. The ESPP allows substantially all employees, excluding members of senior management, to acquire shares of the Company’s Class A common stock through payroll deductions over six-month offering periods, commencing on January 1 and July 1 of each year. The per share purchase price is equal to 90% of the fair market value of a share of the Company’s Class A common stock on the last day of the offering period. Participant purchases are limited to maximums that may vary between $10,000 and $25,000 of stock per calendar year. The Company is authorized to grant up to 0.5 million shares of Class A common stock under the ESPP.

During the six months ended June 30, 2024 and 2023, the Company issued 6,136 and 20,127 shares of Class A common stock, respectively, and as of June 30, 2024, 372,228 shares remained available for future issuance. During the three and six months ended June 30, 2024 and 2023, the Company recognized less than $ 1 million of equity-based compensation expense related to the ESPP in each period.

**Class A Units**

During 2018, the Company granted certain employees Class A Units with service-based vesting over two- to four-year periods and a grant-date fair value of $ 18.58 per Class A Unit. The grantees entered into the Exchange Agreement under which each LLC Unitholder (and certain permitted transferees thereof) may receive shares of the Company's Class A common stock in exchange for their LLC Units on a four-to-five conversion ratio, or cash at the option of the Company, subject to conversion ratio adjustments for stock splits, stock dividends, reclassifications, and similar transactions and subject to vesting.

**Class B Units**

In March 2015, Carvana Group adopted the LLC Equity Incentive Plan. Under the LLC Equity Incentive Plan, Carvana Group could grant Class B Units to eligible employees, non-employee officers, consultants and directors with service-based vesting, typically four to five years. In connection with the completion of the IPO, Carvana Group discontinued the grant of new awards under the LLC Equity Incentive Plan, however the LLC Equity Incentive Plan will continue in connection with administration of existing awards that remain outstanding. Grantees may receive shares of the Company's Class A common stock in exchange for Class B Units on a four-to-five conversion ratio, or cash at the option of the Company, subject to conversion ratio adjustments for stock splits, stock dividends, reclassifications, and similar transactions and subject to vesting and the respective participation threshold for Class B Units. Class B Units do not expire. There were no Class B Units issued during the three and six months ended June 30, 2024 or 2023. As of June 30, 2024, outstanding Class B Units had participation thresholds between $0.00 to $12.00.

**NOTE 13 — NET EARNINGS (LOSS) PER SHARE**

Basic and diluted net earnings (loss) per share is computed by dividing the net earnings (loss) attributable to Class A common stockholders by the weighted-average shares of Class A common stock outstanding during the period. Diluted net earnings (loss) per share is computed by giving effect to all potentially dilutive shares. Potentially dilutive shares have been excluded from the computation of diluted net earnings (loss) per share when their effect is anti-dilutive. Net earnings (loss) for all periods presented is attributable only to Class A common stockholders, due to no activity related to convertible preferred stock during those periods.

The following table presents the calculation of basic and diluted net earnings (loss) per share during the three and six months ended June 30, 2024 and 2023:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (in millions, except number of shares, which are reflected in thousands, and per share amounts) | | | |
| **Numerator:** | | | | |
| Net income (loss) | $ 48 | $ (105) | $ 97 | $ (391) |
| Net income (loss) attributable to non-controlling interests | 30 | (47) | 51 | (173) |
| Net income (loss) attributable to Carvana Co. Class A common stockholders - basic and diluted | $ 18 | $ (58) | $ 46 | $ (218) |
| | | | | |
| **Denominator:** | | | | |
| Weighted-average shares of Class A common stock outstanding | 118,931 | 106,247 | 117,617 | 106,154 |
| Nonvested weighted-average restricted stock awards | (1) | (25) | (3) | (37) |
| Weighted-average shares of Class A common stock outstanding - basic | 118,930 | 106,222 | 117,614 | 106,117 |
| Dilutive effect of Class A common shares: | | | | |
| Stock Options [(1)] | 2,913 | — | 2,664 | — |
| Restricted Stock Units and Awards [(1)] | 6,622 | — | 6,478 | — |
| Weighted-average shares of Class A common stock outstanding - diluted | 128,465 | 106,222 | 126,756 | 106,117 |
| | | | | |
| Net earnings (loss) per share of Class A common stock - basic | $ 0.15 | $ (0.55) | $ 0.39 | $ (2.05) |
| Net earnings (loss) per share of Class A common stock - diluted | $ 0.14 | $ (0.55) | $ 0.36 | $ (2.05) |

(1) Calculated using the treasury stock method, if dilutive

Shares of Class B common stock do not share in the losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted net earnings (loss) per share of Class B common stock under the two-class method has not been presented.

The following table presents potentially dilutive securities, as of the end of the period, excluded from the computations of diluted net earnings (loss) per share of Class A common stock for the three and six months ended June 30, 2024 and 2023, respectively:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (in thousands) | | | |
| Options [1] | 371 | 4,029 | 697 | 4,029 |
| Restricted Stock Units and Awards [1] | 34 | 9,953 | 109 | 9,953 |
| Class A Units [2] | 85,677 | 82,963 | 85,680 | 82,963 |
| Class B Units [2] | 1,815 | 988 | 1,812 | 856 |

(1) Represents number of instruments outstanding at the end of the period that were evaluated under the treasury stock method for potentially dilutive effects and were determined to be anti-dilutive.
(2) Represents the weighted-average as-converted LLC units that were evaluated under the if-converted method for potentially dilutive effects and were determined to be anti-dilutive.

**NOTE 14 — INCOME TAXES**

As described in Note 1 — Business Organization and Note 10 — Stockholders' Equity (Deficit), as a result of the IPO, Carvana Co. began consolidating the financial results of Carvana Group. Carvana Group is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, Carvana Group is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by Carvana Group is passed through to and included in the taxable income or loss of its members, including Carvana Co., based on its economic interest held in Carvana Group. Carvana Co. was formed on November 29, 2016 and did not engage in any operations prior to the IPO. Carvana Co. is taxed as a corporation and is subject to U.S. federal, state and local income taxes with respect to its allocable share of any taxable income or loss of Carvana Group, as well as any stand-alone income or loss generated by Carvana Co.

As described in Note 10 — Stockholders' Equity (Deficit), the Company acquired 0.1 million and zero LLC Units during the three months ended June 30, 2024 and 2023, respectively, and 0.1 million and less than 0.1 million LLC Units during the six months ended June 30, 2024 and 2023, respectively in connection with exchanges with LLC Unitholders. In the six months ended June 30, 2024, the Company also issued 3 million shares of Class A common stock and received gross proceeds of $ 350 million under the ATM Program. The Company utilized the proceeds from the issuance of Class A common stock to purchase 3.8 million newly issued Class A units in Carvana Group. During the three months ended June 30, 2024 and 2023, the Company recognized a gross deferred tax asset of $25 million and zero, respectively, and $26 million and less than $1 million during the six months ended June 30, 2024 and 2023, respectively, associated with the basis difference in its investment in Carvana Group related to the acquisition of the LLC Units.

During the six months ended June 30, 2024, management performed an assessment of the recoverability of deferred tax assets. Management determined, based on the accounting standards applicable to such assessment, that there was sufficient evidence as a result of the Company's cumulative losses to conclude it was more likely than not that its deferred tax assets would not be realized and has recorded a full valuation allowance against its deferred tax assets. In the event that management was to determine that the Company would be able to realize its deferred tax assets in the future in excess of their net recorded amount, an adjustment to the valuation allowance would be made which would reduce the provision for income taxes.

The Company recognizes uncertain income tax positions when it is more-likely-than-not the position will be sustained upon examination. As of June 30, 2024 and December 31, 2023, the Company has not identified any uncertain tax positions and has not recognized any related reserves.

The Company's effective tax rate for the three months ended June 30, 2024 and 2023 was an expense of 1.1% and a benefit of 0.4%, respectively, and for the six months ended June 30, 2024 and 2023 was a benefit of 0.0% and 0.6%, respectively.

**Tax Receivable Agreement**

Carvana Co. expects to obtain an increase in its share of the tax basis in the net assets of Carvana Group when LLC Units are exchanged by the LLC Unitholders and other qualifying transactions. As described in Note 10 — Stockholders' Equity (Deficit), each change in outstanding shares of Class A common stock results in a corresponding increase or decrease in Carvana Co.'s ownership of LLC Units. The Company intends to treat any exchanges of LLC Units as direct purchases of LLC interests for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that Carvana Co. would otherwise pay in the future to various taxing authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

In connection with the IPO, the Company entered into a Tax Receivable Agreement (the "TRA"). Under the TRA, the Company generally will be required to pay to the LLC Unitholders 85% of the amount of cash savings, if any, in U.S. federal, state or local tax that the Company actually realizes directly or indirectly (or are deemed to realize in certain circumstances) as a result of (i) certain tax attributes created as a result of any sales or exchanges (as determined for U.S. federal income tax purposes) to or with the Company of their interests in Carvana Group for shares of Carvana Co.'s Class A common stock or cash, including any basis adjustment relating to the assets of Carvana Group and (ii) tax benefits attributable to payments made under the TRA (including imputed interest). The Company expects to benefit from the remaining 15% of any tax benefits that it may actually realize. To the extent that the Company is unable to timely make payments under the TRA for any reason, such payments generally will be deferred and will accrue interest until paid.

If the Internal Revenue Service or a state or local taxing authority challenges the tax basis adjustments that give rise to payments under the TRA and the tax basis adjustments are subsequently disallowed, the recipients of payments under the agreement will not reimburse the Company for any payments the Company previously made to them. Any such disallowance would be taken into account in determining future payments under the TRA and would, therefore, reduce the amount of any such future payments. Nevertheless, if the claimed tax benefits from the tax basis adjustments are disallowed, the Company's payments under the TRA could exceed its actual tax savings, and the Company may not be able to recoup payments under the TRA that were calculated on the assumption that the disallowed tax savings were available.

The TRA provides that if (i) certain mergers, asset sales, other forms of business combinations, or other changes of control were to occur, (ii) there is a material breach of any material obligations under the TRA; or (iii) the Company elects an early termination of the TRA, then the TRA will terminate and the Company's obligations, or the Company's successor's obligations, under the TRA will accelerate and become due and payable, based on certain assumptions, including an assumption that the Company would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the TRA and that any LLC Units that have not been exchanged are deemed exchanged for the fair market value of the Company's Class A common stock at the time of termination.

As of June 30, 2024, the Company recorded a TRA liability of $ 33 million, of which $26 million is due to related parties. As of June 30, 2024, $ 14 million is included in other current liabilities and $19 million is included in other liabilities on our accompanying unaudited condensed consolidated balance sheets. For the remaining $ 1.7 billion TRA liability, as of June 30, 2024, the Company has concluded, based on applicable accounting standards, that it was more likely than not that its deferred tax assets subject to the TRA would not be realized; therefore, the Company has not recorded an additional liability related to the tax savings it may realize from utilization of such deferred tax assets. If utilization of the deferred tax assets subject to the TRA becomes more likely than not in the future, the Company will record a liability related to the TRA which will be recognized in other expense (income), net within its consolidated statements of operations.

**NOTE 15 — LEASES**

The Company is party to various lease agreements for real estate and transportation equipment. For each lease agreement, the Company determines its lease term as the non-cancellable period of the lease and includes options to extend or terminate the lease when it is reasonably certain that it will exercise that option. The Company also assesses whether each lease is an

operating or finance lease at the lease commencement date. Rent expense of operating leases is recognized on a straight-line basis over the lease term and includes scheduled rent increases as well as amortization of tenant improvement allowances.

**Operating Leases**

As of June 30, 2024, the Company is a tenant under various operating leases related to certain of its hubs, vending machines, inspection and reconditioning centers, auction locations, storage, parking and corporate offices. The initial terms expire at various dates between 2024 and 2038. Many of the leases include one or more renewal options ranging from one to twenty years and some contain purchase options. The Company leases and subleases certain of its real estate to third parties. Lease and sublease income for each of the three months ended June 30, 2024 and 2023 was $1 million and for the six months ended June 30, 2024 and 2023 was $ 3 million and $2 million, respectively, and is included in selling, general and administrative expenses in the accompanying unaudited condensed consolidated statements of operations.

The Company's operating leases are included in operating lease right-of-use assets, other current liabilities, and operating lease liabilities on the accompanying unaudited condensed consolidated balance sheets.

Refer to Note 6 — Related Party Transactions for further discussion of operating leases with related parties.

**Finance Leases**

The Company has finance leases for certain equipment in its transportation fleet. The leases have initial terms of two to five years, some of which include extension options for up to four additional years, and require monthly payments. The Company's finance leases are included in current portion of long-term debt and long-term debt on the accompanying unaudited condensed consolidated balance sheets.

**Lease Costs and Activity**

The Company's lease costs and activity during the three and six months ended June 30, 2024 and 2023 were as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (in millions) | | | |
| **Lease costs:** | | | | |
| Finance leases: | | | | |
| Amortization of finance lease assets | $ 25 | $ 28 | $ 51 | $ 56 |
| Interest obligations under finance leases | 3 | 5 | 7 | 10 |
| Total finance lease costs | $ 28 | $ 33 | $ 58 | $ 66 |
| Operating leases: | | | | |
| Fixed lease costs to non-related parties | $ 14 | $ 17 | $ 30 | $ 35 |
| Fixed lease costs to related parties | 1 | 1 | 2 | 2 |
| Total operating lease costs | $ 15 | $ 18 | $ 32 | $ 37 |
| **Cash payments related to lease liabilities included in operating cash flows:** | | | | |
| Operating lease liabilities to non-related parties | | | $ 46 | $ 53 |
| Operating lease liabilities to related parties | | | $ 2 | $ 2 |
| Interest payments on finance lease liabilities | | | $ 7 | $ 10 |
| **Cash payments related to lease liabilities included in financing cash flows:** | | | | |
| Principal payments on finance lease liabilities | | | $ 41 | $ 64 |

**Maturity Analysis of Lease Liabilities**

The following table summarizes maturities of lease liabilities as of June 30, 2024:

| | | Operating Leases [1] | | | |
|---|---|---|---|---|---|
| | Finance Leases | Related Party [2] | Non-Related Party | Total Operating | Total |
| | | | (in millions) | | |
| Remainder of 2024 | $ 46 | $ 2 | $ 48 | $ 50 | $ 96 |
| 2025 | 85 | 4 | 95 | 99 | 184 |
| 2026 | 71 | 3 | 94 | 97 | 168 |
| 2027 | 34 | 3 | 87 | 90 | 124 |
| 2028 | 7 | 3 | 78 | 81 | 88 |
| Thereafter | — | 2 | 254 | 256 | 256 |
| Total minimum lease payments | 243 | 17 | 656 | 673 | 916 |
| Less: amount representing interest | (20) | (3) | (160) | (163) | (183) |
| Total lease liabilities | $ 223 | $ 14 | $ 496 | $ 510 | $ 733 |

(1) Leases that are on a month-to-month basis, short-term leases, and lease extensions that the Company does not expect to exercise are not included.
(2) Related party lease payments exclude rent payments due under the DriveTime lease agreements for locations where the Company shares space with DriveTime, as those are variable lease payments contingent upon the Company's utilization of the leased assets.

As of June 30, 2024 and December 31, 2023, none of the Company's lease agreements contain material residual value guarantees or material restrictive covenants.

**Lease Terms and Discount Rates**

The weighted-average remaining lease terms and discount rates as of June 30, 2024 and 2023 were as follows, excluding short-term operating leases:

| | As of June 30, | |
|---|---|---|
| | 2024 | 2023 |
| **Weighted-average remaining lease terms (years)** | | |
| Operating leases | 7.5 | 8.1 |
| Finance leases | 3.0 | 3.8 |
| **Weighted-average discount rate** | | |
| Operating leases | 7.2 % | 7.1 % |
| Finance leases | 6.0 % | 5.8 % |

**NOTE 16 — COMMITMENTS AND CONTINGENCIES**

**Accrued Limited Warranty**

As part of its retail strategy, the Company provides a 100-day or 4,189-mile limited warranty to customers to repair certain broken or defective components of each used vehicle sold. As such, the Company accrues for such repairs based on actual claims incurred to-date and repair reserves based on historical trends. The liability was $18 million and $16 million as of June 30, 2024 and December 31, 2023, respectively, and is included in accounts payable and accrued liabilities in the accompanying unaudited condensed consolidated balance sheets. The expense was $28 million and $21 million for the three months ended June 30, 2024 and 2023, respectively, and $ 53 million and $44 million for the six months ended June 30, 2024

and 2023, respectively, and is included in selling, general and administrative expenses in the accompanying unaudited condensed consolidated statements of operations.

**Purchase Obligations**

The Company has purchase obligations for certain customary services related to operating a wholesale auction business of $ 121 million in aggregate over the next five years, as of June 30, 2024. These purchase obligations are recorded as liabilities when the services are rendered.

**Legal Matters**

From time to time, the Company is involved in various claims and legal actions that arise in the ordinary course of business for a publicly traded auto retail and e-commerce company. For example, the Company is currently a party to legal and regulatory disputes, including putative class action and shareholder derivative lawsuits, alleging, among other things, the violation of federal securities and antitrust laws and state laws regarding consumer protection, stockholders' rights and the titling and registration of vehicles sold to its customers. These disputes include, but are not limited to, *In re Carvana Co. Securities Litigation* , United States District Court for the District of Arizona (Case No. CV-22-2126-PHX-MTL); *Dana Jennings, et al. v. Carvana, LLC* , United States District Court for the Eastern District of Pennsylvania (Case No. 5:21-cv-05400-EGS); *Syretta Harvin et al. v. Carvana, LLC et al.*, United States District Court for the Eastern District of Pennsylvania (Case No. 2:23-cv-02068-MRP); *In re Carvana Co. Stockholders Litigation* , Delaware Chancery Court (Case No. 2023-0600-KSJM); and *Michael Cribier v. Carvana, LLC* , United States District Court for the Southern District of California (Case No. 3:24-cv-00094-DMS-JLB).

Additionally, the Attorney General offices of various states, from time to time, conduct inquiries regarding the Company's inspection, reconditioning, advertising, sale, delivery, titling, registration, and post-sale service of retail vehicles. The Company works closely with government agencies to respond to these requests and fully cooperates with any such inquiries, which if not amicably resolved, could result in state Attorney General offices filing claims against the Company.

The Company believes the claims in these legal matters are not material or are without merit and intends to defend the matters vigorously. It is not possible to determine the probability of loss or estimate damages, if any, for any of the above matters, and therefore, the Company has not established reserves for any of these proceedings. If the Company determines that a loss is both probable and reasonably estimable, the Company will record a liability, and, if the liability is material, disclose the amount of the liability reserved. If an unfavorable ruling or development were to occur, there exists the possibility of a material adverse impact on the Company's business, results of operations, financial condition or cash flows.

Future litigation may be necessary to defend the Company and its partners by determining the scope, enforceability and validity of third party proprietary rights or to establish its proprietary rights. The results of any current or future litigation or government inquiries cannot be predicted with certainty, and regardless of the outcome, litigation and government inquiries can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors.

**NOTE 17 — FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Company holds certain assets that are required to be measured at fair value on a recurring basis, and beneficial interests in securitizations for which it elected the fair value option. A description of the fair value hierarchy and the Company's methodologies are included in Note 2 — Summary of Significant Accounting Policies in its most recent Annual Report on Form 10-K.

The following tables are a summary of fair value measurements and hierarchy level at June 30, 2024 and December 31, 2023:

| | June 30, 2024 | | | |
|---|---|---|---|---|
| | Carrying Value | Level 1 | Level 2 | Level 3 |
| | (in millions) | | | |
| **Assets:** | | | | |
| Money market funds | $ 555 | $ 555 | $ — | $ — |
| Beneficial interests in securitizations | $ 421 | $ — | $ — | $ 421 |
| Purchase price adjustment receivables | $ 3 | $ — | $ — | $ 3 |
| Root Warrants | $ 58 | $ — | $ — | $ 58 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Carrying Value | Level 1 | Level 2 | Level 3 |
| | (in millions) | | | |
| **Assets:** | | | | |
| Money market funds | $ 339 | $ 339 | $ — | $ — |
| Beneficial interests in securitizations | $ 366 | $ — | $ — | $ 366 |
| Purchase price adjustment receivables | $ 7 | $ — | $ — | $ 7 |
| Root Warrants | $ 5 | $ — | $ — | $ 5 |

**Money Market Funds**

Money market funds consist of highly liquid investments with original maturities of three months or less and are classified in cash and cash equivalents and restricted cash in the accompanying unaudited condensed consolidated balance sheets.

**Beneficial Interests in Securitizations**

Beneficial interests in securitizations include rated notes and certificates of the securitization trusts, the same securities as issued to other investors as described in Note 8 — Securitizations and Variable Interest Entities. Beneficial interests in securitizations are initially treated as Level 2 assets when the securitization transaction occurs in close proximity to the end of the period and there is a lack of observable changes in the economic inputs. When the securitization transaction does not occur in close proximity to the end of the period and there have been observable changes in the economic inputs, beneficial interests in securitizations are classified as Level 3.

The Company's beneficial interests in securitizations include rated notes and certificates and other assets, all of which are classified as Level 3 due to the lack of observable market data. The Company determines the fair value of its rated notes based on non-binding broker quotes. The non-binding broker quotes are based on models that consider the prevailing interest rates, recent market transactions, and current business conditions. The Company determines the fair value of its certificates and other assets using a combination of non-binding market quotes and internally developed discounted cash flow models. The discounted cash flow models use discount rates based on prevailing interest rates and the characteristics of the specific instruments. As of June 30, 2024 and December 31, 2023, the range of discount rates were 7.2% to 10.0% and 6.2% to 12.0%, respectively, and the weighted average of discount rates were 9.8% and 8.9%, respectively. Significant increases or decreases in the inputs to the models could result in a significantly higher or lower fair value measurement. The Company elected the fair value option on its beneficial interests in securitizations, which allows it to recognize changes in the fair value of these assets in the period the fair value changes. Changes in the fair value of the beneficial interests in securitizations are reflected in other expense (income), net in the accompanying unaudited condensed consolidated statements of operations.

For beneficial interests in securitizations measured at fair value on a recurring basis, the Company's transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period on a quarterly basis. There were no transfers out of Level 3 during the three and six months ended June 30, 2024 or 2023.

The Company sells certain of its beneficial interests in securitizations that are not required to be retained by the Risk Retention Rules. For the three months ended June 30, 2024, the Company did not sell any beneficial interests in securitizations. For the six months ended June 30, 2024, the Company sold beneficial interests in securitizations for a purchase price totaling $9 million. For both the three and six months ended June 30, 2023, the Company sold beneficial interests in securitizations for a purchase price totaling $8 million.

The following table presents additional information about Level 3 beneficial interests in securitizations measured at fair value on a recurring basis for the three and six months ended June 30, 2024 and 2023:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (in millions) | | | |
| **Opening Balance** | $ 388 | $ 312 | $ 366 | $ 321 |
| Received in securitization transactions | 80 | 69 | 142 | 92 |
| Payments received | (52) | (42) | (92) | (75) |
| Change in fair value | 5 | 4 | 14 | 5 |
| Sales of beneficial interests | — | (8) | (9) | (8) |
| **Ending Balance** | $ 421 | $ 335 | $ 421 | $ 335 |

**Purchase Price Adjustment Receivables**

The Company's purchase price adjustment receivables are carried at fair value and classified as other assets in the accompanying unaudited condensed consolidated balance sheets. Under the MPSA, the purchaser will make future cash payments to the Company based on the performance of the finance receivables sold. The fair value of the purchase price adjustment receivables are determined based on the extent to which the Company's estimated performance of the underlying finance receivables exceeds a mutually agreed upon performance threshold of the underlying finance receivables as of measurement dates specified in the MPSA. The Company develops its estimate of future cumulative losses based on the historical performance of finance receivables it originated with similar characteristics as well as general macro-economic trends. The Company then utilizes a discounted cash flow model to calculate the present value of the expected future payment amounts. Due to the lack of observable market data these receivables are classified as Level 3. The adjustments to the fair value of the purchase price adjustment receivables were losses of less than $1 million and gains of less than $1 million during the three months ended June 30, 2024 and 2023, respectively, and gains of less than $ 1 million and $2 million during the six months ended June 30, 2024 and 2023, respectively, and are reflected in other expense (income), net in the accompanying unaudited condensed consolidated statements of operations.

**Root Warrants**

In October 2021, the Company purchased Series A convertible preferred shares in Root, Inc. ("Root"), an equity security that does not have a readily determinable fair value. The Company elected to measure this investment using a measurement alternative pursuant to the accounting standards and recorded the investment at its cost of $126 million, which will subsequently be adjusted for observable price changes. The Company considered all relevant transactions since the date of its investment and has not recorded any impairments or upward or downward adjustments to the carrying amount of its investment in Root, as there have not been changes in the observable price of its equity interest through June 30, 2024.

Also in October 2021, the Company entered into a commercial agreement with Root, under which the Root auto insurance products were to be embedded into the Company's e-commerce platform. In accordance with the provisions of the commercial agreement, the Company received eight tranches of warrants to purchase shares of Root's Class A common stock (the "Root Warrants"). On September 1, 2022, the integrated auto insurance solution, which embedded into the Company's e-commerce platform, was completed. The first tranche of Root Warrants, consisting of 2.4 million shares of Root's Class A common stock, became exercisable upon completion of the integrated solution, and is considered a derivative instrument. The second tranche of Root Warrants, consisting of 3.2 million shares of Root's Class A common stock, became exercisable on November 14, 2023, and the third tranche, consisting of 1.6 million shares of Root's Class A common stock, became exercisable on May 3, 2024.

Both the second and third tranche of the Root Warrants became exercisable upon the achievement of certain insurance sales metrics through the integrated solution, and are considered derivative investments. The other tranches vest based on a combination of the arrival of certain dates and insurance product sales through the integrated solution, and are considered derivative instruments. The Company used a Monte Carlo simulation to estimate the fair value of these Root Warrants, which are classified as Level 3. Under this Monte Carlo simulation, the primary unobservable input utilized in determining the fair value of the Root Warrants was the expected volatility of Root's class A common stock, which was implied from the historical volatility of their stock. As of June 30, 2024 and 2023, the expected volatility utilized in the Monte Carlo simulation was 100% and 85%, respectively. At contract inception, the Company recognized an asset of $ 30 million for the Root Warrants and deferred revenue, classified in other assets and other liabilities, respectively in the accompanying unaudited condensed consolidated balance sheets. In 2022, the Company determined it was probable that the volume of insurance products required to earn the Root Warrants would be achieved and recorded an additional $75 million of Root Warrants and deferred revenue based on the contract inception date fair value as determined by the Monte Carlo simulation. The Root Warrants and deferred revenue are classified in other assets and other liabilities, respectively, in the accompanying unaudited condensed consolidated balance sheets. The deferred revenue is recognized over the expected contract performance period within other sales and revenues in the accompanying unaudited condensed consolidated statements of operations.

The following table presents changes in the Company's Level 3 Root Warrants measured at fair value:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (in millions) | | | |
| Opening balance | $ 80 | $ 1 | $ 5 | $ 2 |
| Unrealized gain (loss) | (22) | — | 53 | (1) |
| Ending balance | $ 58 | $ 1 | $ 58 | $ 1 |

In relation to the Root Warrants, the Company recognized decreases in fair value of $ 22 million and zero during the three months ended June 30, 2024 and 2023, respectively, and an increase in fair value of $53 million and a decrease in fair value of $ 1 million during the six months ended June 30, 2024 and 2023, respectively, which are included in other expense (income), net in the accompanying unaudited condensed consolidated statements of operations.

**Interest Rate Cap**

The Company utilizes non-designated cash flow hedges including interest rate cap agreements to minimize its exposure to interest rate fluctuations on variable rate debt borrowings. Interest rate caps provide that the counterparty will pay the purchaser at the end of each contractual period in which the index interest rate exceeds the contractually agreed upon cap rate.

In the first quarter of 2023, the Company entered into one interest rate cap agreement to limit exposure to interest rate risk on variable rate debt associated with finance receivables. The interest rate cap has a cap rate of 5.0% with a notional amount of $364 million, expiring in July 2027. In the second quarter of 2023, the Company entered into a second interest rate cap agreement to limit exposure to interest rate risk on variable rate debt associated with finance receivables. The interest rate cap has a cap rate of 5.0% and a notional amount of $236 million, expiring in April 2027.

The fair value of the Company's interest rate caps is impacted by the credit risk of both the Company and its counterparty. The Company has an agreement with its derivative financial instrument counterparty that contains provisions providing that if the Company defaults on the indebtedness associated with its derivative financial instrument, then the Company could also be declared in default on its derivative financial instrument obligation. In addition, the Company minimizes nonperformance risk on its derivative instrument by evaluating the creditworthiness of its counterparty, which is limited to major banks and financial institutions.

The Company does not apply hedge accounting to the interest rate caps and records all mark-to-market adjustments directly to other expense (income), net in the accompanying unaudited condensed consolidated statements of operations. The fair value of the interest rate caps is categorized as Level 2 in the fair value hierarchy as they are based on well-recognized financial principles and available market data. For the three and six months ended June 30, 2023, the Company recognized mark-to-

market adjustments of $2 million and $1 million of income within other expense (income), net in the accompanying unaudited condensed consolidated statements of operations. The interest rate caps were terminated during the year ended December 31, 2023.

**Fair Value of Financial Instruments**

The carrying amounts of restricted cash, accounts receivable, accounts payable and accrued liabilities, and accounts payable to related party approximate fair value due to their respective short-term maturities. The carrying value of the short-term revolving facilities were determined to approximate fair value due to their short-term duration and variable interest rates that approximate prevailing interest rates as of each reporting period. The carrying value of notes payable and sale leasebacks were determined to approximate fair value as each of the transactions were entered into at prevailing interest rates during each respective period and they have not materially changed as of or during the periods ended June 30, 2024 and December 31, 2023. The carrying value of the financing of beneficial interests in securitizations was determined to approximate fair value because in the event of a decline in the fair value of the pledged collateral of the financing, the repurchase price of the pledged collateral will be increased by the amount of the decline.

The fair value of the Senior Notes, which are not carried at fair value on the accompanying unaudited condensed consolidated balance sheets, was determined using Level 2 inputs based on quoted market prices for the identical liability. The fair value of the Senior Notes as of June 30, 2024 and December 31, 2023 was as follows:

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| | (in millions) | |
| Carrying value, net of unamortized debt issuance costs, unamortized premium, and accrued PIK interest | $ 4,595 | $ 4,566 |
| Fair value | $ 4,827 | $ 3,866 |

The fair value of finance receivables, which are not carried at fair value on the accompanying unaudited condensed consolidated balance sheets, was determined utilizing the estimated sales price based on the historical experience of the Company. Such fair value measurement of the finance receivables, net is considered Level 2 under the fair value hierarchy. The carrying value and fair value of the finance receivables as of June 30, 2024 and December 31, 2023 were as follows:

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| | (in millions) | |
| Carrying value | $ 758 | $ 807 |
| Fair value | $ 821 | $ 854 |

## NOTE 18 — SUPPLEMENTAL CASH FLOW INFORMATION

The following table summarizes supplemental cash flow information for the six months ended June 30, 2024 and 2023:

| | Six Months Ended June 30, | |
|---|---|---|
| | 2024 | 2023 |
| | (in millions) | |
| **Supplemental cash flow information:** | | |
| Cash payments for interest | $ 62 | $ 313 |
| Cash payments for taxes | $ 3 | $ — |
| **Non-cash investing and financing activities:** | | |
| Capital expenditures included in accounts payable and accrued liabilities | $ — | $ 3 |
| Operating lease right-of-use assets obtained in exchange for operating lease liabilities | $ 33 | $ — |
| Property and equipment acquired under finance leases | $ — | $ 36 |
| Equity-based compensation expense capitalized to property and equipment | $ 5 | $ 5 |
| Fair value of beneficial interests received in securitization transactions | $ 142 | $ 92 |
| Reductions of beneficial interests in securitizations and associated long-term debt | $ 60 | $ 53 |

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the accompanying unaudited condensed consolidated balance sheets that sum to the total of the same amounts shown in the accompanying unaudited condensed consolidated statements of cash flows for all periods presented:

| | June 30, 2024 | December 31, 2023 | June 30, 2023 |
|---|---|---|---|
| | | (in millions) | |
| Cash and cash equivalents | $ 542 | $ 530 | $ 541 |
| Restricted cash | 65 | 64 | 136 |
| Total cash, cash equivalents and restricted cash | $ 607 | $ 594 | $ 677 |

## NOTE 19 — SUBSEQUENT EVENTS

### ATM Program

On July 31, 2024, the Company entered into an Amended and Restated Distribution Agreement (the "A&R Distribution Agreement") with Barclays Capital Inc., Citigroup Global Markets Inc., Moelis & Company LLC, and Virtu Americas LLC to refresh its ATM program. In connection therewith, the Company intends to file an amendment to its Prospectus Supplement to register shares of Class A common stock representing an aggregate offering price of up to $1.0 billion.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

*Unless the context requires otherwise, references in this report to "Carvana," the "Company," "we," "us," and "our" refer to Carvana Co. and its consolidated subsidiaries. The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided as a supplement to, and should be read in conjunction with, our audited consolidated financial statements, the accompanying notes and the MD&A included in our most recent Annual Report filed on Form 10-K, as well as our unaudited condensed consolidated financial statements and the accompanying notes included in Part I, Item 1 of this Form 10-Q.*

**Overview**

Carvana is the leading e-commerce platform for buying and selling used cars. We are transforming the used car buying and selling experience by giving consumers what they want - a wide selection, great value and quality, transparent pricing, and a simple, no pressure transaction. Each element of our business, from inventory procurement to fulfillment and overall ease of the online transaction, has been built for this singular purpose.

Our business combines a comprehensive online sales experience with a vertically integrated supply chain that allows us to sell high-quality vehicles to our customers transparently and efficiently at a low price. Using our website or mobile application, customers can complete all phases of a retail vehicle purchase transaction. Specifically, our online sales experience allows customers to:

- ***Purchase a retail vehicle.*** As of June 30, 2024, we listed 37,299 total retail units on our website, where customers can select and purchase a vehicle, including arranging financing and signing contracts, directly from their desktop or mobile device. Selling vehicles to retail customers is the primary driver of our business. Selling retail vehicles generates revenue equal to the selling price of the vehicle, less an allowance for returns, and also enables multiple additional revenue streams, including the sale of finance receivables originated to finance the vehicle, vehicle service contracts ("VSCs"), GAP waiver coverage, other ancillary products, and trade-ins.

- ***Finance their purchase.*** Customers can pay for their Carvana vehicle using cash, financing from other parties such as banks or credit unions, or financing with us using our proprietary loan origination platform. Customers who choose to apply for our in-house financing fill out a short prequalification form, select from a range of financing terms we provide and, if approved, apply the financing to their purchase in our online checkout process. We generally seek to sell the loans we originate to financing partners or pursuant to a securitization transaction and, in each case, we generally earn a premium upon sale.

- ***Protect their purchase.*** Customers have the option to protect their vehicle with a VSC as part of our online checkout process. VSCs provide customers with protection against the costs of certain mechanical repairs after the expiration of their vehicle's original manufacturer warranty. We earn a fee for selling VSCs on behalf of an affiliate of DriveTime Automotive Group, Inc. (together with its consolidated affiliates, collectively, "DriveTime"), which is the obligor under these VSCs. We generally have no contractual liability to customers for claims under these agreements. We also offer GAP waiver coverage to customers in most states in which we operate. We have additionally partnered with Root, Inc. ("Root") to offer an integrated auto insurance solution, through which customers in most states may conveniently access auto insurance directly from the Carvana e-commerce platform.

- ***Sell us their car.*** We allow our customers to trade-in a vehicle and apply the trade-in value to their purchase, or to sell us a vehicle independent of a purchase. Using our digital appraisal tool, customers can receive a conditional offer for their vehicle nearly instantaneously from our site simply by answering a few questions about the vehicle condition and features. We generate trade-in offers using a proprietary valuation algorithm supported by extensive used vehicle market and customer-behavior data. When customers accept our offer, they can drop the vehicle off at one of our locations or schedule a time to have the vehicle picked up at their home or elsewhere within one of our markets and receive payment, eliminating the need to visit a dealership or negotiate a private sale. We take their vehicles into inventory and sell them either at auction as a wholesale sale or through our website as a retail sale. Vehicles sold at auction typically do not meet the quality or condition standards required to be included in retail inventory displayed for sale on our website.

To enable a seamless customer experience, we have built a vertically-integrated used vehicle supply chain, supported by proprietary software systems and data.

- ***Vehicle acquisition.*** We primarily acquire our used vehicle inventory directly from customers when they trade in or sell us their vehicles and through the large and liquid national used car auction market. Acquiring directly from customers eliminates auction fees and provides more diverse vehicles. The remainder of our inventory is acquired from vehicle finance and leasing companies, rental car companies, and other suppliers, which suppliers may also provide reconditioning services. We use proprietary algorithms to determine which cars to bid on at auction and how much to bid. Our software sifts through over 100,000 vehicles per day and filters out vehicles with poor condition ratings or other unacceptable attributes, and can evaluate the tens of thousands of potential vehicle purchases that remain per day, creating a competitive advantage versus in-person sourcing methods generally used by traditional dealerships. Once our algorithms have identified a suitable vehicle for purchase, bids are verified and executed by a centralized team of inventory-sourcing professionals. For vehicles sold to us through our website, we use proprietary algorithms to determine an appropriate offer. We assess vehicles on the basis of quality, inventory fit, consumer desirability, relative value, expected reconditioning costs, and vehicle location to identify what we believe represent the most in-demand and profitable vehicles to acquire for inventory. We utilize a broad range of data sources, including proprietary site data, and a variety of external data sources to support our assessments.

- ***Inspection and reconditioning.*** Once we acquire a vehicle from a customer, we leverage our in-house logistics or a vendor to transport the vehicle to an inspection and reconditioning center or auction location with reconditioning capacity ("IRC"), at which point the vehicle is entered into our inventory management system. We then begin a 150-point inspection process covering controls, features, brakes, tires, and cosmetics. Each IRC includes trained technicians, vehicle lifts, paint-less dent repair, and paint capabilities and receives on-site support from vendors with whom we have integrated systems to ensure ready access to parts and materials. When an inspection is complete, we estimate the necessary reconditioning cost for the vehicle to meet our standards and expected timing for that vehicle to be made available for sale on our website.

- ***Photography and merchandising.*** To provide transparency to our customers, our patented, automated photo booths capture a 360-degree exterior and interior virtual tour of each vehicle in our website inventory. Our photo booths photograph the interior and exterior of the vehicle while technicians annotate material defects based on visibility-threshold category. We also feature integrations with various vehicle data providers for vehicle feature and option information. We have instituted a unified cosmetic standard across all IRCs and certain auction sites to better ensure a consistent customer experience.

- ***Transportation and fulfillment.*** Third-party vehicle transportation is often slow, expensive, and unreliable. To address these challenges, we built an in-house auto logistics network backed by a proprietary transportation management system ("TMS") to transport our vehicles to customers in our markets. The system is based on a "hub and spoke" model, which connects all IRCs to vending machines and hubs via our owned and leased fleet of multi-car and single car haulers. Our TMS allows us to efficiently manage locations, routes, route capacities, trucks, and drivers while also dynamically optimizing for speed and cost. We store inventory primarily at the IRCs and other sites, and when a vehicle is sold, it is delivered directly to customers in our markets or transported to a vending machine or certain hubs for pick-up by the customer. Due to our robust and proprietary logistics infrastructure, we are able to offer our customers and operations team highly accurate predictions of vehicle availability, minimizing unanticipated delays and ensuring a seamless and reliable customer experience.

**Retail Vehicle Unit Sales**

Since launching to customers in Atlanta, Georgia in January 2013, we have historically experienced rapid growth in sales through our website www.carvana.com. During the three months ended June 30, 2024, the number of vehicles we sold to retail customers increased by 32.5% to 101,440, compared to 76,530 in the three months ended June 30, 2023. During the six months

ended June 30, 2024, the number of vehicles we sold to retail customers increased by 24.1% to 193,318, compared to 155,770 in the six months ended June 30, 2023.

We continue to view the number of vehicles we sell to retail customers as the most important long-term measure of our performance, and we expect to continue to focus on building a scalable platform to efficiently increase our retail units sold. This focus on retail units sold is motivated by several factors:

- Retail units sold enable multiple revenue streams, including the sale of the vehicle itself, the sale of finance receivables originated to finance the vehicle, the sale of VSCs, GAP waiver coverage, other ancillary products, and the sale of vehicles acquired from customers.

- Retail units sold are the primary driver of customer referrals and repeat sales. Each time we sell a vehicle to a new customer, that customer may refer future customers and can become a repeat buyer in the future.

- Retail units sold are an important driver of the average number of days between when we acquire the vehicle and when we sell it. Reducing average days to sale impacts gross profit on our vehicles because used vehicles generally depreciate over time.

- Retail units sold allow us to benefit from economies of scale due to our centralized online sales model. We believe our model provides meaningful operating leverage in acquisition, reconditioning, transport, customer service, and delivery.

While our near-term objectives are geared towards significant positive unit economics through efficiency gains and other initiatives, we continue to invest in technology and infrastructure to support efficient growth in retail units sold. This includes continued investment in our vehicle acquisition, reconditioning and logistics network, as well as continued investment in product development and engineering to deliver customers a best-in-class experience.

**Markets and Population Coverage**

As of June 30, 2024, we have established a logistics network and local marketing presence in 316 metropolitan areas and have purchased, reconditioned, sold, and delivered over 1.9 million retail vehicles since the launch of our first market in January 2013. As of June 30, 2024, our 316 markets serviced 81.1% of the U.S. population. We calculate our population coverage as the population in our open markets at the end of the period as a percentage of the total metropolitan statistical area ("MSA") population in the U.S., based on 2015 data from the U.S. Census Bureau. Our hub and spoke market approach allows us to focus on serving our markets and providing the best possible car buying and selling experience to our customers at a low, transparent cost. Our established logistics network and ability to service customers within our markets by delivering or picking up any car on Carvana-branded haulers allow us to provide a low-cost, simple car buying and selling experience. We continually evaluate consumer demand and our operational capacity to determine our market development strategy.

**Revenue and Gross Profit**

We generate revenue on retail units sold from four primary sources: the sale of the retail vehicles, wholesale sales of vehicles we acquire from customers, including sales through our wholesale marketplace, gains on the sales of loans originated to finance the vehicles, and sales of ancillary products such as VSCs and GAP waiver coverage.

Our largest source of revenue, retail vehicle sales, totaled $2.4 billion and $2.0 billion during the three months ended June 30, 2024 and 2023, respectively, and $4.6 billion and $3.8 billion during the six months ended June 30, 2024 and 2023, respectively. We generally expect retail vehicle sales to trend proportionately with retail units sold, absent any material changes in macroeconomic conditions. We generate gross profit on retail vehicle sales from the difference between the retail selling price of the vehicle and our cost of sales associated with acquiring the vehicle and preparing it for sale.

Wholesale sales and revenues includes sales of trade-ins and other vehicles acquired from customers that do not meet the requirements for our retail inventory. We also include revenue earned from the sale of wholesale marketplace units by non-Carvana sellers through our wholesale marketplace platform, including auction fees and related service revenues, in wholesale sales and revenues. Wholesale sales and revenues totaled $720 million and $777 million during the three months ended June 30, 2024 and 2023, respectively, and $1.4 billion during each of the six months ended June 30, 2024 and 2023. We generally expect wholesale sales to trend proportionately with retail units sold through trade-ins and from customers who wish to sell us a car independent of a retail sale and with the movement of wholesale marketplace units. We generate gross profit on wholesale vehicle sales from the difference between the wholesale selling price of the vehicle and our cost of sales associated with

acquiring the vehicle and preparing it for sale. We generate a gross profit on wholesale marketplace units from the difference between the revenue earned from the sale of wholesale marketplace units through our wholesale marketplace platform less our cost of sales associated with operating the wholesale marketplace platform.

Other sales and revenues, which primarily includes gains on the sales of finance receivables we originate and sales commissions on ancillary products such as VSCs, GAP waiver coverage, and auto insurance totaled $279 million and $230 million during the three months ended June 30, 2024 and 2023, respectively and $508 million and $391 million during the six months ended June 30, 2024 and 2023, respectively. We generally expect other sales and revenues to trend proportionately with retail units sold. We also expect other sales and revenues to increase as we improve our ability to monetize loans we originate, including through securitization transactions, and sell and offer attractive financing solutions and ancillary products to our customers, including products customarily sold by automotive retailers or insurance products customarily sold by traditional insurance companies, absent any material changes in macroeconomic conditions. Other sales and revenues are 100% gross margin products for which gross profit equals revenue.

Our highest priority continues to be providing exceptional customer experiences while improving efficiency and utilizing our infrastructure to support efficient growth in retail units sold to help us move along the path to achieve sustained profitability. Efficient growth initiatives, which we may undertake from time to time, include the following:

- ***Increase the purchase of vehicles from customers.*** Over time, we plan to grow the number of vehicles that we purchase from our customers as trade-ins or independent of a retail sale. This will provide additional vehicles for our retail business, which on average are more profitable compared to the same vehicle acquired at auction, and expand our inventory selection. In addition, this in turn will grow our wholesale business.

- ***Optimize average days to sale.*** Our goal is generally to optimize our inventory size relative to sales to achieve our desired average days to sale. Reductions in average days to sale lead to fewer vehicle price reductions, and therefore higher average selling prices, all other factors being equal. Higher average selling prices in turn lead to higher gross profit per unit sold, all other factors being equal.

- ***Leverage existing inspection and reconditioning infrastructure.*** As we scale, we intend to more fully utilize the capacity at our existing IRCs and auction locations, which collectively have capacity to inspect and recondition approximately 1.35 million vehicles per year at full utilization**.**

- ***Expand our logistics network.*** As we scale, we intend to further expand our in-house logistics network to transport cars to our IRCs or other sites after acquisition from customers or wholesale auctions.

- ***Increase conversion on existing products.*** We plan to continue to improve our website to highlight the benefits of our complementary product offerings, including financing, VSCs, GAP waiver coverage, other ancillary products, and trade-ins.

- ***Add new products and services.*** We plan to utilize our online sales platform to offer additional complementary products and services to our customers.

- ***Increase monetization of our finance receivables.*** We plan to continue selling finance receivables in securitization transactions and otherwise expand our base of financial partners who purchase the finance receivables originated on our platform to reduce our effective cost of funds.

- ***Optimize purchasing and pricing.*** We are constantly improving the ways in which we predict customer demand, value vehicles sight unseen and optimize what we pay to acquire those vehicles. We also regularly test different pricing of our products, including vehicle sticker prices, trade-in and independent vehicle offers, and ancillary product prices, and we believe we can improve by further optimizing prices over time.

**Seasonality**

Retail and wholesale used vehicle sales generally exhibit seasonality with sales peaking late in the first calendar quarter and diminishing through the rest of the year, with the lowest relative level of vehicle sales expected to occur in the fourth calendar quarter. Due to our historical rapid growth, our overall sales patterns in the past have not always reflected the general seasonality of the used vehicle industry. However, as our business and markets have continued to mature, our results have become more reflective of typical market seasonality. Used vehicle prices also exhibit seasonality, with used vehicles

depreciating at a faster rate in the last two quarters of each year and a slower rate in the first two quarters of each year, all other factors being equal. We expect to experience seasonal and other fluctuations in our quarterly operating results, including as a result of macroeconomic conditions, which may not fully reflect the underlying performance of our business.

**Investment in Growth**

While we have historically aggressively invested in the growth of our business, for the past several quarters we have been and continue to be focused on driving fundamental gains in gross profit per unit and operational efficiency, flexibility, and scalability through process and technology improvements to increase profitability and provide a strong foundation for profitable growth. As we continue targeting initiatives aimed at improving efficiencies, we simultaneously plan to invest in the profitable expansion of our business. While we intend to become increasingly efficient over time, we also anticipate that our operating expenses will increase as we return to growth and continue to expand our logistics network, increase our advertising spending, and serve more of the U.S. population. There is no guarantee that we will be able to realize the desired return on our investments.

**Relationships with Related Parties**

For discussion about our relationships with related parties, refer to Note 6 — Related Party Transactions of our accompanying unaudited condensed consolidated financial statements included in Part I, Item 1, Financial Statements of this Quarterly Report on Form 10-Q.

**Key Operating Metrics**

We regularly review a number of metrics, including the following key metrics, to evaluate our business, measure our progress and make strategic decisions. Our key operating metrics reflect the key drivers of our growth, including increasing brand awareness, enhancing the selection of vehicles we make available to our customers, and driving strong unit economics.

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Retail units sold | 101,440 | 76,530 | 193,318 | 155,770 |
| Average monthly unique visitors (in thousands) | 18,621 | 15,952 | 17,616 | 15,961 |
| Total website units | 37,299 | 37,570 | 37,299 | 37,570 |
| Total gross profit per unit | $ 7,049 | $ 6,520 | $ 6,756 | $ 5,393 |
| Total gross profit per unit, non-GAAP | $ 7,344 | $ 7,030 | $ 7,087 | $ 5,893 |

***Retail Units Sold***

We define retail units sold as the number of vehicles sold to customers in a given period, net of returns under our seven-day return policy. We view retail units sold as a key measure of our growth for several reasons. First, retail units sold is the primary driver of our revenues and, indirectly, gross profit, since retail unit sales enable multiple complementary revenue streams, including financing, VSCs, GAP waiver coverage, other ancillary products, and trade-ins. Second, growth in retail units sold increases the base of available customers for referrals and repeat sales. Third, growth in retail units sold is an indicator of our ability to successfully scale our logistics, fulfillment, and customer service operations.

***Average Monthly Unique Visitors***

We define a monthly unique visitor as an individual who has visited our website or iOS/Android application within a calendar month, based on data provided by Google Analytics. We calculate average monthly unique visitors as the sum of monthly unique visitors in a given period, divided by the number of months in that period. We view average monthly unique visitors as a key indicator of the strength of our brand, the effectiveness of our advertising and merchandising campaigns, and consumer awareness of our brand. During the three months ended June 30, 2024, the methodology used by Google Analytics to count unique visitors changed to include individuals visiting our iOS/Android application, in addition to those visiting our website. We believe this change allows us to more accurately calculate and reflect average monthly unique visitors. To conform to current period presentation, we have recast average monthly unique visitors for the three and six months ended June 30, 2023 and three months ended March 31, 2024. The change in measurement methodology resulted in 9.6% and 9.1% more average

monthly unique visitors for the three and six months ended June 30, 2023, respectively, and 4.2% more average monthly unique visitors for the three months ended March 31, 2024, compared to previously reported numbers.

***Total Website Units***

We define total website units as the number of vehicles listed on our website on the last day of a given reporting period, including vehicles available for sale, vehicles currently engaged in a purchase or reserved by a customer, and vehicles that can be reserved that generally have not yet completed the inspection and reconditioning process. We view total website units as a key measure of our growth. Growth in total website units increases the selection of vehicles available to our consumers, which we believe will allow us to increase the number of vehicles we sell over time. Moreover, growth in total website units indicates our ability to scale our vehicle purchasing, inspection and reconditioning operations. As part of our inventory strategy, over time we may choose not to expand total website units while continuing to grow sales, thereby improving other key operating metrics of the business.

***Total Gross Profit per Unit***

We define total gross profit per unit as the aggregate gross profit in a given period, divided by retail units sold in that period including gross profit generated from the sale of retail vehicles, gains on the sales of loans originated to finance the vehicles, commissions on sales of VSCs, GAP waiver coverage and other ancillary products, and gross profit generated from wholesale sales of vehicles. We operate an integrated business with the objective of increasing the number of retail units sold and total gross profit per unit. Gross profits generated from the sale of retail and wholesale units are interrelated. For example, our nationwide reconditioning and inspection centers are designed to produce vehicles for both retail and wholesale sales, our vehicle storage locations have shared parking for both retail and wholesale vehicles, and our integrated multi-vehicle logistics and last mile delivery network is operated in service of both retail and wholesale sales. Such interrelationships require us to share finite operational capacity and optimize joint decisions between retail and wholesale sales, in order to position us to achieve our objective of increasing total gross profit per unit. As a result, the inclusion of gross profit generated from wholesale sales of vehicles in total gross profit per unit reflects our integrated business model and the interrelationship between wholesale and retail vehicle sales. We believe the total gross profit per unit metrics provide investors with the greatest opportunity to view our performance through the same lens that our management does, and therefore assists investors to best evaluate our business and measure our progress.

***Total Gross Profit per Unit, Non-GAAP***

We define total gross profit per unit, non-GAAP as the aggregate gross profit, non-GAAP in a given period, divided by retail units sold in that period. Gross profit, non-GAAP is defined as gross profit plus depreciation and amortization expense in cost of sales, share-based compensation expense in cost of sales, and restructuring expense, minus revenue related to warrants to purchase shares of Root's Class A common stock (the "Root Warrants") as discussed in Note 17 — Fair Value of Financial Instruments. Refer to "Non-GAAP Financial Measures" for more information, including the reconciliation of non-GAAP financial measures to the most directly comparable financial measures under generally accepted accounting principles in the United States ("GAAP").

**Components of Results of Operations**

***Retail Vehicle Sales***

Retail vehicle sales represent the aggregate sales of used vehicles to customers through our website. Revenue from retail vehicle sales is recognized upon delivery to the customer or pick up of the vehicle by the customer, and is reported net of a reserve for expected returns. Factors affecting retail vehicle sales revenue include the number of retail units sold and the average selling price of these vehicles. Changes in retail units sold are a much larger driver of changes in revenue than are changes in average selling price.

The number of retail vehicles we sell depends on the volume of traffic to our website, our population coverage, our inventory selection, the effectiveness of our branding and marketing efforts, the quality of our customers' purchase experience, our volume of referrals and repeat customers, the competitiveness of our pricing, competition from other used car dealerships and general macroeconomic and used car industry conditions. On a quarterly basis, the number of retail vehicles we sell is also affected by seasonality, with demand for retail vehicles generally reaching a seasonal high point late in the first quarter of each year, commensurate with the timing of tax refunds, and diminishing through the rest of the year, with the lowest relative level of retail vehicle sales generally expected to occur in the fourth calendar quarter. In 2023, heightened inflation and rising interest

rates resulted in lower demand for used vehicles. Heightened inflation and interest rates persisted during the first three months of 2024, and, to a lesser extent, during the second three months of 2024, but were outweighed by seasonal demand associated with the timing of tax refunds and certain of our initiatives focused on growth in retail units sold.

Our retail average selling price depends on macroeconomic and used car industry conditions, the mix of vehicles we acquire, retail prices in our markets, our pricing strategy, and our average days to sale. We may choose to shift our inventory mix to higher or lower cost vehicles, or to raise or lower our prices relative to market to take advantage of supply or demand imbalances, which could temporarily lead to average selling prices increasing or decreasing. We also generally expect lower average days to sale to be associated with higher retail average selling prices due to decreased vehicle depreciation prior to sale, all other factors being equal.

***Wholesale Sales and Revenues***

Wholesale sales and revenues includes the aggregate proceeds we receive on vehicles we acquire and sell to wholesalers, and wholesale marketplace revenues. The vehicles we sell to wholesalers are primarily acquired from customers who sell a vehicle to us without purchasing a retail vehicle and from our customers who trade-in their existing vehicles when making a purchase from us. Factors affecting wholesale sales and revenues include the number of wholesale units sold and the average wholesale selling price of these vehicles. The average selling price of our wholesale units is primarily driven by the mix of vehicles we sell to wholesalers, as well as general supply and demand conditions in the applicable wholesale vehicle market, including the level of depreciation in the wholesale vehicle market. Wholesale sales and revenues includes aggregate proceeds we receive on vehicles sold to DriveTime through competitive online auctions that are managed by an unrelated third party and through the Company's wholesale marketplace platform. Wholesale marketplace revenues include revenue earned from the sale of wholesale marketplace units by third-party sellers to buyers through our wholesale marketplace platform, including auction fees and related services revenue.

***Other Sales and Revenues***

We generate other sales and revenues primarily through the sales of loans we originate and sell in securitization transactions or to financing partners, reported net of a reserve for expected repurchases, commissions we receive on VSCs, sales of GAP waiver coverage, and commissions and Root Warrants we receive on sales of auto insurance.

We generally seek to sell the loans we originate to securitization trusts we sponsor and establish or to financing partners. The securitization trusts issue asset-backed securities, some of which are collateralized by the finance receivables that we sell to the securitization trusts. We also sell the loans we originate under committed forward-flow arrangements, including a master purchase and sale agreement, and through fixed pool loan sales, with financing partners who generally acquire them at premium prices without recourse to us for their post-sale performance. Factors affecting revenue from these sales include the number of loans we originate, the average principal balance of the loans, the credit quality of the portfolio, the price at which we are able to sell them in securitization transactions or to financing partners, and economic conditions in the capital markets.

The number of loans we originate is driven by the number of retail vehicles sold and the percentage of our sales for which we provide financing, which is influenced by the financing terms we offer our customers relative to alternatives available to the customer. The average principal balance is driven primarily by the mix of vehicles we sell, since higher average selling prices typically mean higher average balances. The price at which we sell the loan is driven by the terms of our securitization transactions and forward-flow arrangement, applicable interest rates, and whether or not the loan includes GAP waiver coverage.

In 2016, we entered into a master dealer agreement with DriveTime, pursuant to which we receive a commission for selling VSCs that DriveTime administers. The commission revenue we recognize on VSCs depends on the number of retail units we sell, the conversion rate of VSCs on these sales, commission rates we receive, VSC early cancellation frequency and product features. The GAP waiver coverage revenue we recognize depends on the number of retail units we sell, the number of customers that choose to finance their purchases with us, the frequency of GAP waiver coverage early cancellation, and the conversion rate of GAP waiver coverage on those sales.

In September 2022, we completed our integrated auto insurance solution with Root, through which customers may conveniently access auto insurance directly from the Carvana e-commerce platform. We receive commissions and Root Warrants based on the Root insurance policies sold through the integrated solution. The commission revenue we recognize depends on the number of retail units we sell, the conversion rate of auto policies on those sales, commission rates we receive, and forecasted attrition. The revenue we recognize from Root Warrants as non-cash consideration depends on the probability of

achieving certain auto policy sales thresholds within a specific timeline as well as our performance under the agreement with Root.

***Cost of Sales***

Cost of sales includes the cost to acquire, recondition, and transport vehicles associated with preparing them for resale, and wholesale marketplace cost of sales. Vehicle acquisition costs are driven by the mix of vehicles we acquire, the source of those vehicles, and supply-and-demand dynamics in the vehicle market. Reconditioning costs consist of direct costs, including parts, labor, and third-party repair expenses directly attributable to specific vehicles, as well as indirect costs, such as IRC overhead. Transportation costs consist of costs incurred to transport the vehicles from the point of acquisition to the IRC or other site. Cost of sales also includes any necessary adjustments to reflect vehicle inventory at the lower of cost or net realizable value. Wholesale marketplace cost of sales include costs related to the sale of wholesale marketplace units by third-party sellers through our wholesale marketplace platform, including labor, rent, depreciation and amortization.

***Retail Vehicle Gross Profit***

Retail vehicle gross profit is the vehicle sales price minus our costs of sales associated with vehicles that we list and sell on our website. Retail vehicle gross profit per unit is our aggregate retail vehicle gross profit in any measurement period divided by the number of retail units sold in that period.

***Wholesale Gross Profit***

Wholesale gross profit is the vehicle sales price minus our cost of sales associated with vehicles we sell to wholesalers, and wholesale marketplace revenues less wholesale marketplace cost of sales. Factors affecting wholesale gross profit include the number of wholesale units sold, the average wholesale selling price of these vehicles, the average acquisition price associated with these vehicles, the buyer and seller fees, and the number of wholesale marketplace units sold.

***Other Gross Profit***

Other sales and revenues consist of 100% gross margin products for which gross profit equals revenue. Therefore, changes in gross profit and the associated drivers are identical to changes in revenues from these products and the associated drivers.

***Selling, General and Administrative Expenses***

SG&A expenses include expenses associated with advertising and providing customer service to customers, operating our vending machines, hubs, physical auctions, logistics and fulfillment network and other corporate overhead expenses, including expenses associated with information technology, product development, engineering, legal, accounting, finance, and business development. SG&A expenses exclude the costs of inspecting and reconditioning vehicles and transporting vehicles from the point of acquisition to the IRC, which are included in cost of sales, and payroll costs for our employees related to the development of software products for internal use, which are capitalized to software and depreciated over the estimated useful lives of the related assets.

***Other Operating Expense, Net***

Other operating expense, net primarily includes other general operating expenses such as gains or losses from disposals of long-lived assets.

***Interest Expense***

Interest expense includes interest incurred on our various tranches of Senior Secured Notes and Senior Unsecured Notes, our Floor Plan Facility, and our Finance Receivable Facilities (each as defined in Note 9 — Debt Instruments of our financial statements included in Part I, Item 1, Financial Statements of this Quarterly Report on Form 10-Q), as well as our notes payable, finance leases, and long-term debt, which are used to fund general working capital, our inventory, our transportation fleet, and certain of our property and equipment. Interest expense also includes amortization of capitalized debt issuance costs, which is offset by amortization of debt premium and interest income earned on cash and cash equivalents. Interest expense excludes the interest incurred during various construction projects to build, upgrade or remodel certain facilities, which is capitalized to property and equipment and depreciated over the estimated useful lives of the related assets.

***Other Expense (Income), Net***

Other expense (income), net includes changes in fair value on our beneficial interests in securitizations, purchase price adjustment receivables, and fair value adjustments related to our Root Warrants as discussed in Note 17 — Fair Value of Financial Instruments of our financial statements included in Part I, Item 1, Financial Statements of this Quarterly Report on Form 10-Q. For the three and six months ended June 30, 2024, Other expense (income), net also includes expense related to our Tax Receivable Agreement ("TRA") liability. Refer to Note 14 — Income Taxes for further discussion of the TRA.

***Income Tax Provision (Benefit)***

Income taxes are recognized based upon our anticipated underlying annual blended federal and state income tax rates adjusted, as necessary, for any discrete tax matters occurring during the period. As the sole managing member of Carvana Group, LLC (together with its subsidiaries “Carvana Group”), Carvana Co. consolidates the financial results of Carvana Group. Carvana Group, LLC is treated as a partnership and therefore not subject to U.S. federal and most applicable state and local income tax purposes. Any taxable income or loss generated by Carvana Group is passed through to and included in the taxable income or loss of its members, including Carvana Co., based on its economic interest held in Carvana Group. Carvana Co. is taxed as a corporation and is subject to U.S. federal, state and local income taxes with respect to its allocable share of any taxable income or loss of Carvana Group, as well as any stand-alone income or loss generated by Carvana Co.

**Results of Operations**

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | Change | 2024 | 2023 | Change |
| | (dollars in millions, except per unit amounts) | | | (in millions, except unit and per unit amounts) | | |
| **Net sales and operating revenues:** | | | | | | |
| Retail vehicle sales, net | $ 2,411 | $ 1,961 | 22.9% | $ 4,586 | $ 3,788 | 21.1% |
| Wholesale sales and revenues [1] | 720 | 777 | (7.3)% | 1,377 | 1,395 | (1.3)% |
| Other sales and revenues [2] | 279 | 230 | 21.3% | 508 | 391 | 29.9% |
| Total net sales and operating revenues | $ 3,410 | $ 2,968 | 14.9% | $ 6,471 | $ 5,574 | 16.1% |
| **Gross profit:** | | | | | | |
| Retail vehicle gross profit | $ 347 | $ 204 | 70.1% | $ 630 | $ 314 | 100.6% |
| Wholesale gross profit [1] | 89 | 65 | 36.9% | 168 | 135 | 24.4% |
| Other gross profit [2] | 279 | 230 | 21.3% | 508 | 391 | 29.9% |
| Total gross profit | $ 715 | $ 499 | 43.3% | $ 1,306 | $ 840 | 55.5% |
| **Unit sales information:** | | | | | | |
| Retail vehicle unit sales | 101,440 | 76,530 | 32.5% | 193,318 | 155,770 | 24.1% |
| Wholesale vehicle unit sales | 50,368 | 46,453 | 8.4% | 94,523 | 81,563 | 15.9% |
| **Per unit selling prices:** | | | | | | |
| Retail vehicles | $ 23,768 | $ 25,624 | (7.2)% | $ 23,723 | $ 24,318 | (2.4)% |
| Wholesale vehicles [3] | $ 9,550 | $ 11,926 | (19.9)% | $ 9,585 | $ 11,782 | (18.6)% |
| **Per retail unit gross profit:** | | | | | | |
| Retail vehicle gross profit | $ 3,421 | $ 2,666 | 28.3% | $ 3,259 | $ 2,016 | 61.7% |
| Wholesale gross profit | 878 | 849 | 3.4% | 869 | 867 | 0.2% |
| Other gross profit | 2,750 | 3,005 | (8.5)% | 2,628 | 2,510 | 4.7% |
| Total gross profit | $ 7,049 | $ 6,520 | 8.1% | $ 6,756 | $ 5,393 | 25.3% |
| **Per wholesale unit gross profit:** | | | | | | |
| Wholesale vehicle gross profit [4] | $ 953 | $ 840 | 13.5% | $ 994 | $ 1,018 | (2.4)% |
| **Wholesale marketplace:** | | | | | | |
| Wholesale marketplace units sold | 247,135 | 227,698 | 8.5% | 489,782 | 441,462 | 10.9% |
| Wholesale marketplace revenues | $ 239 | $ 223 | 7.2% | $ 471 | $ 434 | 8.5% |
| Wholesale marketplace gross profit [5] | $ 41 | $ 26 | 57.7% | $ 74 | $ 52 | 42.3% |

(1) Includes $7, $5, $14 and $10, respectively, of wholesale sales and revenues from related parties.
(2) Includes $47, $33, $89 and $69, respectively, of other sales and revenues from related parties.
(3) Excludes wholesale marketplace revenues and wholesale marketplace units sold.
(4) Excludes wholesale marketplace gross profit and wholesale marketplace units sold.
(5) Includes $22, $26, $47 and $52, respectively, of depreciation and amortization expense.

***Retail Vehicle Sales***

*Three months ended June 30, 2024 versus 2023.* Retail vehicle sales increased by $450 million to $2.41 billion during the three months ended June 30, 2024, compared to $1.96 billion during the three months ended June 30, 2023. The increase in revenue was primarily due to an increase in the number of retail vehicles sold to 101,440 from 76,530 during the three months ended June 30, 2024 and 2023, respectively, partially offset by a decrease in the average selling price of our retail units sold to

$23,768 in the three months ended June 30, 2024 from $25,624 in the prior year, due primarily to higher overall depreciation in the used vehicle market, partially offset by faster turn times, compared to the three months ended June 30, 2023.

*Six months ended June 30, 2024 versus 2023.* Retail vehicle sales increased by $0.8 billion to $4.6 billion during the six months ended June 30, 2024, compared to $3.8 billion during the six months ended June 30, 2023. The increase in revenue was primarily due to an increase in the number of retail vehicles sold to 193,318 from 155,770 during the six months ended June 30, 2024 and 2023, respectively, partially offset by a decrease in the average selling price of our retail units sold to $23,723 in the six months ended June 30, 2024 from $24,318 in the prior year, due primarily to higher overall depreciation in the used vehicle market, partially offset by faster turn times, compared to the six months ended June 30, 2023.

***Wholesale Sales and Revenues***

*Three months ended June 30, 2024 versus 2023.* Wholesale sales and revenues decreased by $57 million to $720 million during the three months ended June 30, 2024, compared to $777 million during the three months ended June 30, 2023. The decrease in revenue was primarily due to higher overall depreciation in the wholesale vehicle market as the average selling price of our wholesale units sold decreased to $9,550 during the three months ended June 30, 2024 from $11,926 during the three months ended June 30, 2023. This decrease was partially offset by an increase in the number of wholesale units sold that were acquired from customers on our website to 50,368 from 46,453 during the three months ended June 30, 2024 and 2023, respectively. Additionally, wholesale marketplace revenues were higher during the three months ended June 30, 2024 at $239 million, compared to $223 million during the three months ended June 30, 2023, primarily due to an increase in the number of wholesale marketplace units sold to 247,135 from 227,698 during the three months ended June 30, 2024 and 2023, respectively.

*Six months ended June 30, 2024 Versus 2023.* Wholesale sales and revenues decreased by $18 million to $1.38 billion during the six months ended June 30, 2024, compared to $1.40 billion during the six months ended June 30, 2023. The decrease in revenue was primarily due to higher overall depreciation in the wholesale vehicle market as the average selling price of our wholesale units sold decreased to $9,585 during the six months ended June 30, 2024 from $11,782 during the six months ended June 30, 2023. This decrease was partially offset by an increase in the number of wholesale units sold that were acquired from customers on our website to 94,523 from 81,563 during the six months ended June 30, 2024 and 2023, respectively. Additionally, wholesale marketplace revenues were higher during the six months ended June 30, 2024 at $471 million, compared to $434 million during the six months ended June 30, 2023, primarily due to an increase in the number of wholesale marketplace units sold to 489,782 from 441,462 during the six months ended June 30, 2024 and 2023, respectively.

***Other Sales and Revenues***

*Three months ended June 30, 2024 versus 2023.* Other sales and revenues increased by $49 million to $279 million during the three months ended June 30, 2024, compared to $230 million during the three months ended June 30, 2023. The increase was primarily due to an increase in gain on loan sales as a result of more loans sold, higher loan sale pricing, increased retail units sold, and higher interest income due to higher levels of finance receivables held for sale during the three months ended June 30, 2024.

*Six months ended June 30, 2024 versus 2023.* Other sales and revenues increased by $117 million to $508 million during the six months ended June 30, 2024, compared to $391 million during the six months ended June 30, 2023. The increase was primarily due to an increase in gain on loan sales as a result of more loans sold, higher loan sale pricing and increased retail units sold during the six months ended June 30, 2024, partially offset by lower interest income due to lower levels of finance receivables held for sale.

***Retail Vehicle Gross Profit***

*Three months ended June 30, 2024 versus 2023.* Retail vehicle gross profit increased by $143 million to $347 million during the three months ended June 30, 2024, compared to $204 million during the three months ended June 30, 2023. This increase was driven primarily by an increase in retail vehicle gross profit per unit to $3,421 for the three months ended June 30, 2024, compared to $2,666 for the three months ended June 30, 2023. The per unit increase was primarily driven by lower average days to sale, lower vehicle acquisition costs relative to sales prices, and lower reconditioning and inbound transport costs on retail vehicles sold during the three months ended June 30, 2024.

*Six months ended June 30, 2024 Versus 2023.* Retail vehicle gross profit increased by $316 million to $630 million during the six months ended June 30, 2024, compared to $314 million during the six months ended June 30, 2023. This increase was driven primarily by an increase in retail vehicle gross profit per unit to $3,259 for the six months ended June 30, 2024, compared to $2,016 for the six months ended June 30, 2023. The per unit increase was primarily driven by lower average days

to sale, lower vehicle acquisition costs, and lower reconditioning and inbound transport costs on retail vehicles sold during the six months ended June 30, 2024.

***Wholesale Gross Profit***

*Three months ended June 30, 2024 versus 2023.* Wholesale gross profit increased by $24 million to $89 million during the three months ended June 30, 2024, compared to $65 million during the three months ended June 30, 2023. This increase was primarily driven by an increase in wholesale marketplace gross profit by $15 million to $41 million during the three months ended June 30, 2024, compared to $26 million for the three months ended June 30, 2023, due to an increase in the number of wholesale marketplace units sold to 247,135 from 227,698 during the three months ended June 30, 2024 and 2023, respectively. Additionally, the increase was driven by an increase in wholesale units sold to 50,368 from 46,453 for the three months ended June 30, 2024 and 2023, respectively, along with an increase in wholesale vehicle gross profit per wholesale unit to $953 from $840, respectively. The increase in wholesale units sold was primarily a result of an increase in overall vehicle acquisitions during the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The increase in wholesale vehicle gross profit per wholesale unit was primarily a result of lower vehicle acquisition costs relative to sales prices during the three months ended June 30, 2024.

*Six months ended June 30, 2024 versus 2023.* Wholesale gross profit increased by $33 million to $168 million during the six months ended June 30, 2024, compared to $135 million during the six months ended June 30, 2023. This increase was primarily driven by an increase in wholesale marketplace gross profit by $22 million to $74 million during the six months ended June 30, 2024, compared to $52 million for the six months ended June 30, 2023, due to an increase in the number of wholesale marketplace units sold to 489,782 from 441,462 during the six months ended June 30, 2024 and 2023, respectively. Additionally, the increase was driven by an increase in wholesale units sold to 94,523 from 81,563 for the six months ended June 30, 2024 and 2023, respectively, partially offset by a decrease in wholesale vehicle gross profit per wholesale unit to $994 from $1,018 in the six months ended June 30, 2024 and 2023, respectively. The decrease in wholesale vehicle gross profit per wholesale unit was primarily a result of higher depreciation in the wholesale vehicle market during the six months ended June 30, 2024.

***Other Gross Profit***

Other sales and revenues consist of 100% gross margin products for which gross profit equals revenue. Therefore, changes in other gross profit and the associated drivers are identical to changes in other sales and revenues and the associated drivers.

***Components of SG&A***

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (in millions) | | | |
| Compensation and benefits [1] | $ 168 | $ 163 | $ 341 | $ 339 |
| Advertising | 55 | 57 | 109 | 113 |
| Market occupancy [2] | 17 | 18 | 35 | 39 |
| Logistics [3] | 28 | 29 | 57 | 64 |
| Other [4] | 187 | 185 | 369 | 369 |
| Total | $ 455 | $ 452 | $ 911 | $ 924 |

(1) Compensation and benefits includes all payroll and related costs, including benefits, payroll taxes, and equity-based compensation, except those related to preparing vehicles for sale, which are included in cost of sales, and those related to the development of software products for internal use, which are capitalized to software and depreciated over the estimated useful lives of the related assets.
(2) Market occupancy costs includes occupancy costs of our vending machine and hubs. It excludes occupancy costs related to reconditioning vehicles which are included in cost of sales and the portion related to corporate occupancy which are included in other costs.
(3) Logistics includes fuel, maintenance and depreciation related to operating our own transportation fleet, and third-party transportation fees, except the portion related to inbound transportation, which is included in cost of sales.
(4) Other costs include all other selling, general and administrative expenses such as IT expenses, corporate occupancy, professional services and insurance, limited warranty, and title and registration.

Selling, general and administrative expenses increased by $3 million to $455 million during the three months ended June 30, 2024, compared to $452 million during the three months ended June 30, 2023, primarily due to a higher employee headcount associated with higher retail units sold. Selling, general and administrative expenses decreased by $13 million to $911 million during the six months ended June 30, 2024, compared to $924 million during the six months ended June 30, 2023, primarily due to lower depreciation expense associated with a smaller logistics fleet size, reductions in occupancy costs, and improved targeting of our advertising spend.

***Other Operating Expense, Net***

Other operating expense, net was $1 million and $5 million for the three months ended June 30, 2024 and 2023, and $2 million and $6 million for the six months ended June 30, 2024 and 2023. The decreases in other operating expense, net were due to lower disposals of long-lived assets during the three and six months ended June 30, 2024.

***Loss On Debt Extinguishment***

Loss on debt extinguishment was $2 million during the three and six months ended June 30, 2024 due to the repurchase of $250 million of 2028 Senior Secured Notes in the open market for $259 million, which included $7 million of accrued PIK interest and $1 million in pro-rata write-offs of unamortized debt issuance costs and unamortized premium.

***Interest Expense***

Interest expense increased by $18 million and $32 million during the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023, respectively, primarily due to increased PIK interest on the Senior Secured Notes, partially offset by lower interest on the Senior Unsecured Notes, floor plan facility, and finance receivable facilities.

***Other Expense (Income), Net***

Other expense (income), net changed by $43 million to expense of $35 million during the three months ended June 30, 2024, compared to income of $8 million during the three months ended June 30, 2023. The change was primarily due to a $22 million decrease in the fair value of our Root Warrants and a $19 million expense related to the TRA liability during the three months ended June 30, 2024. The TRA liability was generated from the expected cash tax savings to be realized by Carvana Co. as a result of LLC unit exchanges. Other expense (income), net changed by $41 million to income of $52 million during the

six months ended June 30, 2024, compared to income of $11 million during the six months ended June 30, 2023. The change was primarily due to a net $54 million increase in the fair value of our Root Warrants and a net $9 million increase in the fair value of our beneficial interests in securitizations, partially offset by a $19 million expense related to the TRA liability during the six months ended June 30, 2024.

***Income Tax Provision (Benefit)***

Income tax provision (benefit) changed by $1 million to a provision of $1 million during the three months ended June 30, 2024, compared to zero during the three months ended June 30, 2023. Income tax provision (benefit) changed by $2 million to zero during the six months ended June 30, 2024, compared to a $2 million benefit during the six months ended June 30, 2023.

**Non-GAAP Financial Measures**

To supplement the unaudited condensed consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we also present the following non-GAAP measures: Adjusted EBITDA; Adjusted EBITDA margin; Gross profit, non-GAAP; Total gross profit per retail unit, non-GAAP; SG&A expenses, non-GAAP; and Total SG&A expenses per retail unit, non-GAAP.

***Adjusted EBITDA; Adjusted EBITDA margin; Gross profit, non-GAAP; Total gross profit per retail unit, non-GAAP; SG&A expenses, non-GAAP; and Total SG&A expenses per retail unit, non-GAAP***

Adjusted EBITDA; Adjusted EBITDA margin; Gross profit, non-GAAP; Total gross profit per retail unit, non-GAAP; SG&A expenses, non-GAAP; and Total SG&A expenses per retail unit, non-GAAP are supplemental measures of operating performance that do not represent and should not be considered an alternative to net income (loss), gross profit, or SG&A expenses, as determined by GAAP.

Adjusted EBITDA is defined as net income (loss) plus income tax provision (benefit), interest expense, other operating expense, net, other expense (income), net, depreciation and amortization expense in cost of sales and SG&A expenses, goodwill impairment, share-based compensation expense in cost of sales and SG&A expenses, loss on debt extinguishment, and restructuring expense in cost of sales and SG&A expenses, minus revenue related to our Root Warrants and gain on debt extinguishment. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenues.

Gross profit, non-GAAP is defined as GAAP gross profit plus depreciation and amortization expense in cost of sales, share-based compensation expense in cost of sales, and restructuring expense in cost of sales, minus revenue related to our Root Warrants. Total gross profit per retail unit, non-GAAP is Gross profit, non-GAAP divided by retail vehicle unit sales.

SG&A expenses, non-GAAP is defined as GAAP SG&A expenses minus depreciation and amortization expense in SG&A expenses, share-based compensation expense in SG&A expenses, and restructuring expense in SG&A expenses. Total SG&A expenses per retail unit, non-GAAP is SG&A expenses, non-GAAP divided by retail vehicle unit sales.

We use these non-GAAP measures to measure the operating performance of our business as a whole and relative to our total revenues and retail vehicle unit sales. We believe that these metrics are useful measures to us and to our investors because they exclude certain financial, capital structure, and non-cash items that we do not believe directly reflect our core operations and may not be indicative of our recurring operations, in part because they may vary widely across time and within our industry independent of the performance of our core operations. We believe that excluding these items enables us to more effectively evaluate our performance period-over-period and relative to our competitors. Adjusted EBITDA; Adjusted EBITDA margin; Gross profit, non-GAAP; Total gross profit per retail unit, non-GAAP; SG&A expenses, non-GAAP; and Total SG&A expenses per retail unit, non-GAAP may not be comparable to similarly titled measures provided by other companies due to potential differences in methods of calculations.

A reconciliation of Adjusted EBITDA to net income (loss), Gross profit, non-GAAP to gross profit, and SG&A expenses, non-GAAP to SG&A expenses, which are the most directly comparable GAAP measures, and calculations of Adjusted EBITDA margin, Total gross profit per retail unit, non-GAAP, and Total SG&A expenses per retail unit, non-GAAP is as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | (dollars in millions, except per unit amounts) | | | |
| Net income (loss) | $ 48 | $ (105) | $ 97 | $ (391) |
| Income tax provision (benefit) | 1 | — | — | (2) |
| Interest expense | 173 | 155 | 346 | 314 |
| Other operating expense, net | 1 | 5 | 2 | 6 |
| Other expense (income), net | 35 | (8) | (52) | (11) |
| Depreciation and amortization expense in cost of sales | 35 | 44 | 74 | 88 |
| Depreciation and amortization expense in SG&A expenses | 41 | 46 | 84 | 95 |
| Share-based compensation expense in SG&A expenses | 24 | 20 | 47 | 35 |
| Root warrant revenue | (5) | (5) | (10) | (10) |
| Loss on debt extinguishment | 2 | — | 2 | — |
| Restructuring expense | — | 3 | — | 7 |
| Adjusted EBITDA | $ 355 | $ 155 | $ 590 | $ 131 |
| | | | | |
| Total revenues | $ 3,410 | $ 2,968 | $ 6,471 | $ 5,574 |
| Net income (loss) margin | 1.4 % | (3.5)% | 1.5 % | (7.0)% |
| Adjusted EBITDA margin | 10.4 % | 5.2 % | 9.1 % | 2.4 % |
| | | | | |
| Gross profit | $ 715 | $ 499 | $ 1,306 | $ 840 |
| Depreciation and amortization expense in cost of sales | 35 | 44 | 74 | 88 |
| Root warrant revenue | (5) | (5) | (10) | (10) |
| Gross profit, non-GAAP | $ 745 | $ 538 | $ 1,370 | $ 918 |
| | | | | |
| Retail vehicle unit sales | 101,440 | 76,530 | 193,318 | 155,770 |
| Total gross profit per retail unit | $ 7,049 | $ 6,520 | $ 6,756 | $ 5,393 |
| Total gross profit per retail unit, non-GAAP | $ 7,344 | $ 7,030 | $ 7,087 | $ 5,893 |
| | | | | |
| SG&A expenses | $ 455 | $ 452 | $ 911 | $ 924 |
| Depreciation and amortization expense in SG&A expenses | 41 | 46 | 84 | 95 |
| Share-based compensation expense in SG&A expenses | 24 | 20 | 47 | 35 |
| Restructuring expense in SG&A expenses | — | 3 | — | 7 |
| SG&A expenses, non-GAAP | $ 390 | $ 383 | $ 780 | $ 787 |
| | | | | |
| Retail vehicle unit sales | 101,440 | 76,530 | 193,318 | 155,770 |
| Total SG&A expenses per retail unit | $ 4,485 | $ 5,906 | $ 4,712 | $ 5,932 |
| Total SG&A expenses per retail unit, non-GAAP | $ 3,845 | $ 5,005 | $ 4,035 | $ 5,052 |

## Liquidity and Capital Resources

***General***

We generate cash from the sale of retail vehicles, wholesale vehicles, loans we originate, and ancillary products such as VSCs and GAP waiver coverage. We generate additional cash flows through our financing activities including our short-term revolving inventory and finance receivable facilities and real estate and equipment financing, the issuance of long-term notes

and new issuances of equity. Historically, cash generated from financing activities has funded growth and expansion into new markets and strategic initiatives and we expect this to continue in the future.

In response to the macroeconomic environment, our focus during previous quarters has been on driving profitability through initiatives to better conform our expense structure to unit volume levels. We expect to continue our focus on these profitability initiatives as we return to growth. We expect our primary sources of cash to continue to be sufficient to fund our operating activities and cash commitments for investing and financing activities for at least the next 12 months.

Our ability to service our debt and fund working capital, capital expenditures, and business development efforts in the long-term will depend on our ability to generate cash from operating and financing activities, which is subject to our future operating performance, as well as to general economic, financial, competitive, legislative, regulatory, and other conditions, some of which may be beyond our control. Our future capital requirements will depend on many factors, including our ability to refinance indebtedness, our ability to obtain supplemental liquidity through debt, equity, including the issuance of equity pursuant to our "at-the-market offering" program, strategic relationships or other arrangements on terms available or acceptable to us, our rate of revenue growth, our construction of IRCs and vending machines, the timing and extent of our spending to support our technology and software development efforts, our advertising spend, and increased population coverage. If we need to obtain supplemental liquidity, there can be no assurance that financing alternatives will be available in sufficient amounts or on terms acceptable to us in the future.

Finally, subject to the restrictions in the indentures governing the Senior Secured Notes, we or our affiliates have and may again, at any time, and from time to time, repurchase portions of our Class A common stock, our Senior Unsecured Notes, our Senior Secured Notes, or any other securities we may issue, from time to time, in open market transactions, privately negotiated transactions, in exchange for property or other securities or otherwise. During the three months ended June 30, 2024, we repurchased and cancelled $250 million principal amount of 2028 Senior Secured Notes. Any additional repurchase decisions will be made after consideration of market conditions and liquidity needs and will be upon such terms and at such prices as we determine appropriate. However, there is no guarantee that a repurchase will take place.

***Liquidity Resources***

We had the following committed liquidity resources, secured debt capacity, and other unpledged assets available as of June 30, 2024 and December 31, 2023:

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| | (in millions) | |
| Cash and cash equivalents | $ 542 | $ 530 |
| Availability under short-term revolving facilities [(1)] | 1,598 | 1,006 |
| Committed liquidity resources available | $ 2,140 | $ 1,536 |
| Super senior debt capacity | 1,500 | 1,262 |
| Pari passu senior debt capacity | 375 | 250 |
| Unpledged beneficial interests in securitizations | 91 | 80 |
| Total liquidity resources | $ 4,106 | $ 3,128 |

(1) Based on pledging all eligible vehicles and finance receivables under the Floor Plan Facility and Finance Receivables Facilities, excluding the impact to restricted cash requirements.

Our total liquidity resources are composed of cash and cash equivalents, availability under existing credit facilities, additional capacity under the indentures governing our Senior Secured Notes, which allow us to incur additional debt that can be senior or pari passu in lien priority as to the collateral securing the obligations under the Senior Secured Notes, and additional unpledged securities that can be financed using traditional asset-based financing sources.

Cash and cash equivalents includes cash deposits and highly liquid investment instruments with original maturities of three months or less, such as money market funds.

Availability under short-term revolving facilities is the available amount we can borrow under the Floor Plan Facility and Finance Receivable Facilities based on the pledgeable value of vehicle inventory and finance receivables on our balance sheet

on the period end date. Availability under short-term revolving facilities is distinct from the total commitment amount of these facilities because it represents the currently borrowable amount, rather than committed future amounts that could be borrowed to finance future additional assets. Effective November 1, 2023, we amended our vehicle inventory Floor Plan Facility to resize the line of credit to $1.5 billion through April 30, 2025.

As of June 30, 2024 and December 31, 2023, the short-term revolving facilities had a total commitment of $4.2 billion each, an outstanding balance of $72 million and $668 million, respectively, and unused capacity of $4.1 billion and $3.5 billion, respectively.

Super senior debt capacity and pari passu senior debt capacity represents basket capacity to incur additional debt that could be senior or pari passu in lien priority to the collateral securing the obligations under the Senior Secured Notes, subject to the terms and conditions set forth in the indentures governing the Senior Secured Notes. The availability of such additional sources depends on many factors and there can be no assurance that financing alternatives will be available to us in the future.

Unpledged beneficial interests in securitizations includes retained beneficial interests in securitizations that have not been previously pledged or sold. We historically have financed the majority of our retained beneficial interests in securitizations and expect to continue to do so in the future.

Additionally, in January 2024, we amended our Master Purchase and Sale Agreement to, among other things, reestablish the commitment by the purchaser to purchase up to $4.0 billion of principal balances of finance receivables between January 11, 2024 and January 10, 2025.

To optimize our cost of capital, in any given period we may choose not to maximize borrowings on our short-term revolving facilities, maximize revolving commitment size, or immediately sale-leaseback real estate, and we may also choose to retain beneficial interests in securitizations for varying amounts of time. This has the benefit of reducing interest expense and debt issuance costs and providing flexibility to minimize financing costs over time.

We consider our total liquidity resources as an input into our planning. In general, changes in total liquidity resources fall into two broad categories: changes due to current business operations and changes due to investments in automotive retail assets.

Changes in liquidity due to current business operations include Adjusted EBITDA, non-real estate capital expenditures, including technology, furniture, fixtures, and equipment, and changes in traditional working capital, including accounts receivable, accounts payable, accrued expenses, and other miscellaneous assets and liabilities.

In the ordinary course of business, we sponsor and engage in securitization transactions to sell our finance receivables to a diverse pool of investors. These securitizations involve unconsolidated variable interest entities in which we retain at least 5% of the credit risk of the underlying finance receivable by holding at least 5% of the notes and certificates issued by these entities. We are exposed to market risk in the securitization market. See Note 8 — Securitizations and Variable Interest Entities, included in Part I, Item 1, Financial Statements, of this Quarterly Report on Form 10-Q, for further discussion regarding our transactions with unconsolidated variable interest entities.

In addition we also invest in and generate several types of assets, including vehicle inventory, finance receivables, retained beneficial interests in securitizations, and real estate. To maximize capital efficiency, we generally seek to finance these assets with matched sources of asset-based financing, including short-term revolving facilities for vehicle inventory and finance receivables, beneficial interests financing for retained beneficial interests in securitizations, and sale-leaseback or other real estate financing for IRCs and vending machines. We have historically used these sources of financing to finance our investment in these assets and expect to continue to do so in the future.

As of June 30, 2024 and December 31, 2023, our outstanding principal amount of indebtedness was $5.5 billion and $6.0 billion, respectively, summarized in the table below. See Note 9 — Debt Instruments included in Part I, Item 1, Financial Statements of this Quarterly Report on Form 10-Q for further information on our debt.

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| | (in millions) | |
| Asset-Based Financing: | | |
| Floor plan facility | $ 72 | $ 113 |
| Finance receivable facilities | — | 555 |
| Financing of beneficial interests in securitizations | 334 | 293 |
| Real estate financing | 485 | 485 |
| Total asset-based financing | 891 | 1,446 |
| Senior Secured Notes [1] | 4,405 | 4,378 |
| Senior Unsecured Notes | 205 | 205 |
| Total debt | 5,501 | 6,029 |
| Less: current portion | (198) | (777) |
| Less: unamortized debt issuance costs [2] | (53) | (60) |
| Plus: unamortized premium [3] | 32 | 37 |
| Total included in long-term debt, net | $ 5,282 | $ 5,229 |

(1) Includes $210 million and $185 million of accrued PIK interest as of June 30, 2024 and December 31, 2023, respectively. Accrued PIK interest increases the principal amount of Senior Secured Notes on each semi-annual interest payment date.
(2) The unamortized debt issuance costs related to long-term debt are presented as a reduction of the carrying amount of the corresponding liabilities on the accompanying unaudited condensed consolidated balance sheets. Unamortized debt issuance costs related to revolving debt arrangements are presented within other assets on the accompanying unaudited condensed consolidated balance sheets and not included here.
(3) The unamortized premium relates to a portion of the notes exchange offers completed in September 2023 which were accounted for as a debt modification.

***Cash Flows***

The following table presents a summary of our consolidated cash flows from operating, investing and financing activities for the six months ended June 30, 2024 and 2023:

| | Six Months Ended June 30, | |
|---|---|---|
| | 2024 | 2023 |
| | (in millions) | |
| Net cash provided by operating activities | $ 455 | $ 443 |
| Net cash provided by investing activities | 9 | 6 |
| Net cash used in financing activities | (451) | (400) |
| Net increase in cash, cash equivalents and restricted cash | 13 | 49 |
| Cash, cash equivalents and restricted cash at beginning of period | 594 | 628 |
| Cash, cash equivalents and restricted cash at end of period | $ 607 | $ 677 |

*Operating Activities*

Our primary sources of operating cash flows result from the sales of retail vehicles, wholesale vehicles, loans we originate, and ancillary products. Our primary uses of cash from operating activities are purchases of inventory, personnel-related expenses, and cash used to acquire customers. Cash provided by operating activities was $455 million and $443 million during the six months ended June 30, 2024 and 2023, respectively, an increase in cash provided by operating activities of $12 million, primarily due to more finance receivables sold during the six months ended June 30, 2024, a reduction in interest paid due to

PIK interest on the Senior Secured Notes, and reduced selling, general and administrative expenses and reconditioning costs due to our profitability initiatives, partially offset by increased originations of finance receivables and vehicle inventory acquisitions.

*Investing Activities*

Our primary use of cash for investing activities is purchases of property and equipment. Cash provided by investing activities was $9 million and $6 million during the six months ended June 30, 2024 and 2023, respectively, an increase in cash provided by investing activities of $3 million, primarily driven by increased principal payments received on and proceeds from the sale of beneficial interests in securitizations along with decreased purchases of property and equipment as part of our effort to align our capital expenditures to current volumes, partially offset by lower proceeds received from the sale of property and equipment.

*Financing Activities*

Cash flows from financing activities primarily relate to our short and long-term debt activity, including proceeds from and payments on our short-term revolving facilities. Cash used in financing activities was $451 million and $400 million during the six months ended June 30, 2024 and 2023, respectively, an increase in cash used in financing activities of $51 million. The change primarily relates to (1) higher payments on short-term revolving facilities relative to borrowings, (2) our repurchase and cancellation, during the three months ended June 30, 2024, of $250 million of principal amount of the 2028 Senior Secured Notes in the open market for $259 million, which included $7 million of accrued PIK interest, and (3) net proceeds of $347 million from the sale of approximately 3 million shares of Class A common stock at an average price of $114.85 per share pursuant to our "at-the-market offering" program.

**Contractual Obligations and Commitments**

As of June 30, 2024, there have been no material changes to the contractual obligations or commitments previously disclosed in our most recent Annual Report on Form 10-K, filed February 22, 2024.

**Fair Value Measurements**

We report money market securities, certain receivables, the Root Warrants and beneficial interests in securitizations at fair value. See Note 17 — Fair Value of Financial Instruments, included in Part I, Item 1, Financial Statements, of this Quarterly Report on Form 10-Q, which is incorporated into this item by reference.

**Critical Accounting Estimates**

There have been no material changes to our critical accounting estimates from those described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our most recent Annual Report on Form 10-K, filed on February 22, 2024.

**FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q, as well as information included in oral statements or other written statements made or to be made by us, contain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Forward-looking statements can be identified by words such as "anticipate," "believe," "envision," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," "ongoing," "contemplate," and other similar expressions, although not all forward-looking statements contain these identifying words. Examples of forward-looking statements include, among others, statements we make regarding:

- expectations relating to the automotive market and our industry;
- macroeconomic conditions, economic slowdowns or recessions;
- future financial position;

- short-term and long-term liquidity;
- business strategy;
- operational efficiency;
- efficiency gains and opportunities to improve our results, including opportunities to increase our margins and reduce our expenses;
- normalization of inventory;
- benefits from new technology;
- long-term financial goals and growth opportunities;
- budgets, projected costs, and plans;
- future industry growth;
- financing sources;
- potential sales of our Class A common stock, including through use of the at-the-market program;
- the impact of litigation, government inquiries, and investigations; and
- all other statements regarding our intent, plans, beliefs, or expectations or those of our directors or officers.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Important factors that could cause actual results and events to differ materially from those indicated in the forward-looking statements include, among others, the following:

- the impact on our business from the larger automotive ecosystem, including consumer demand, global supply chain challenges, and other macroeconomic issues;
- our ability to utilize our available infrastructure capacity and realize the expected benefits therefrom, including increased margins and lower expenses;
- our ability to scale up our business;
- our ability to raise additional capital, the quality of the financial markets, and our substantial indebtedness;
- the restrictions that could limit the flexibility in operating our business imposed by the covenants contained in the indentures governing our Senior Secured Notes and indentures governing future debt securities;
- the volatility of the trading price of our Class A common stock, including as a result of the use of the at-the-market program or the issuance of other equity, such as the issuance of Class A LLC Units;
- our history of losses and ability to maintain profitability in the future;
- our ability to effectively manage our rapid growth;
- our ability to maintain customer service quality and reputational integrity and enhance our brand;
- the seasonal and other fluctuations in our quarterly operating results;

- our relationship with DriveTime and its affiliates;
- our ability to compete in the highly competitive industry in which we participate;
- the changes in prices of new and used vehicles;
- our ability to acquire desirable inventory;
- our ability to sell our inventory expeditiously;
- our access to structured finance, securitization, or derivative markets at competitive rates and in sufficient amounts;
- our dependence on the sale of automotive finance receivables for a substantial portion of our gross profits;
- our exposure to credit losses and prepayments on our interests in automotive finance receivables;
- our reliance on credit data for the automotive finance receivables we sell;
- our ability to successfully market and brand our business;
- our reliance on internet searches to drive traffic to our website and mobile application;
- our ability to comply with the laws and regulations to which we are subject;
- the changes in the laws and regulations to which we are subject;
- our ability to comply with the Telephone Consumer Protection Act of 1991;
- the evolution of regulation of the internet and e-commerce;
- our ability to grow complementary product and service offerings;
- our ability to obtain affordable inventory insurance;
- our ability to maintain adequate relationships with the lenders that finance our vehicle inventory purchases;
- errors in contracts with customers;
- our reliance on our proprietary credit scoring model in the forecasting of loss rates;
- our reliance on internal and external logistics to transport our vehicle inventory;
- our ability to protect the personal information and other data that we collect, process, and store;
- disruptions in availability and functionality of our website and mobile application;
- our ability to protect our intellectual property, technology, and confidential information;
- our ability to comply with the terms of open source licenses;
- conditions affecting automotive manufacturers, including manufacturer recalls and strikes;
- risks associated with the construction and operation of our IRCs, hubs, vending machines, and auction sites;
- our dependence on key personnel to operate our business;
- our minority equity investment in Root, Inc.;

- the diversion of management's attention and other disruptions associated with potential future acquisitions and strategic initiatives;
- the legal proceedings to which we may be subject in the ordinary course of business;
- risks relating to our corporate structure and tax receivable agreements;
- our management’s accounting judgments and estimates, as well as changes to accounting policies; and
- other factors disclosed in the section titled "Risk Factors" in our most recent Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission.

The forward-looking statements in this Quarterly Report on Form 10-Q represent our views as of the date of this Report. We undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future developments or otherwise.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes to our quantitative and qualitative disclosures about market risk from those described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our most recent Annual Report on Form 10-K, filed on February 22, 2024.

**ITEM 4. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including th e chief executive officer and chief financial officer, w e conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of such date. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or su bmit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to management, including the chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

**Changes in Internal Control Over Financial Reporting**

There were no changes to our internal controls over financial reporting that occurred during the three months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

From time to time, we are involved in various claims, legal actions, and government inquiries that arise in the ordinary course of business. Although the results of litigation, claims, and inquiries cannot be predicted with certainty, we do not believe that the ultimate resolution of these actions will have a material adverse effect on our financial position, results of operations, liquidity and capital resources.

Future litigation may be necessary to defend ourselves and our partners by determining the scope, enforceability and validity of third party proprietary rights or to establish our proprietary rights. The results of any current or future litigation or government inquiries cannot be predicted with certainty, and regardless of the outcome, litigation and government inquiries can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. For more information, see “Legal Matters” in Note 16 — Commitments and Contingencies, included in Part I, Item 1, Financial Statements, of this Quarterly Report on Form 10-Q.

### ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed under the heading "Risk Factors" in our most recent Annual Report on Form 10-K, filed on February 22, 2024.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

**Recent Sales of Unregistered Securities**

During the three months ended June 30, 2024, pursuant to the terms of the Exchange Agreement entered into in connection with our IPO, certain LLC Unitholders exchanged less than 0.1 million LLC Units for less than 0.1 million newly issued shares of Class A common stock. These shares were issued in reliance on an exemption from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

**Rule 10b5-1 Trading Plan Elections**

On May 9, 2024, Ira Platt, a member of the Company's board of directors , entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act (a "10b5-1 Plan"). Mr. Platt's 10b5-1 Plan provides for the potential sale of up to 25,180 shares of Class A common stock between the first potential sale date on August 8, 2024 and the expiration of the 10b5-1 Plan on December 31, 2025.

On May 6, 2024, Gregory Sullivan, a member of the Company's board of directors , terminated his previously adopted 10b5-1 Plan. Mr. Sullivan's 10b5-1 Plan was entered into on March 14, 2024, was set to expire on May 31, 2025, and provided for the potential sale of up to 5,000 shares of Class A common stock.

On June 24, 2024, Tom Taira, the Company's President of Special Products, terminated his previously adopted 10b5-1 Plan. Mr. Taira's 10b5-1 Plan was entered into on March 15, 2024, was set to expire on December 31, 2025, and provided for the potential sale of up to 133,556 shares of Class A common stock, including shares obtained from the exercise of vested stock options covered by the 10b5-1 Plan.

**Amended and Restated Distribution Agreement**

As previously reported, on July 19, 2023, the Company entered into an agreement with Citigroup Global Markets Inc. and Moelis & Company LLC (the Original Distribution Agreement"), relating to the issuance and sale, from time to time, through ATM offerings, of the Company's Class A common stock. On July 31, 2024, the Company entered into an Amended and Restated Distribution Agreement (the "A&R Distribution Agreement") with Barclays Capital Inc., Citigroup Global Markets Inc., Moelis & Company LLC, and Virtu Americas LLC to refresh its ATM program. In connection therewith, the Company intends to file an amendment to its Prospectus Supplement to register shares of Class A common stock representing an aggregate offering price of up to $1.0 billion.

The foregoing description of the A&R Distribution Agreement is not complete and is qualified in its entirety by reference to the A&R Distribution Agreement, a copy of which is attached to this Quarterly Report on Form 10-Q as Exhibit 10.1 and incorporated by reference in this Item 5.

**ITEM 6. EXHIBITS**

| Exhibit No. | Description |
|---|---|
| 3.1 | Amended and Restated Certificate of Incorporation of Carvana Co., dated April 27, 2017 (incorporated by reference to Exhibit 3.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 3, 2017). |
| 3.2 | Amended and Restated Bylaws of Carvana Co., dated April 27, 2017 (incorporated by reference to Exhibit 3.2 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on May 3, 2017). |
| 3.3 | Certificate of Designations of Series B Preferred Stock of Carvana Co., as filed with the Secretary of State of the State of Delaware on January 17, 2023 (incorporated by reference to Exhibit 3.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on January 17, 2023). |
| 3.4 | Certificate of Elimination of Series B Preferred Stock of Carvana Co., dated June 5, 2024 (incorporated by reference to Exhibit 3.1 to Carvana Co.'s Current Report on Form 8-K filed with the SEC on June 6, 2024). |
| 10.1 | Amended and Restated Distribution Agreement, dated as of July 31, 2024, by and among Carvana Co. and Barclays Capital Inc., Citigroup Global Markets Inc., Moelis & Company LLC, and Virtu Americas LLC as sales agents, filed herewith. |
| 31.1 | Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a), filed herewith. |
| 31.2 | Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a), filed herewith. |
| 32.1 | Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, furnished herewith. |
| 32.2 | Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, furnished herewith. |
| 101.INS | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 104 | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document. |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 31, 2024

**Carvana Co.**
(Registrant)

By: /s/ Mark Jenkins
Mark Jenkins
Chief Financial Of
(On behalf of the I
Principal Financial Officer)

**Exhibit 10.1**

**AMENDED AND RESTATED DISTRIBUTION AGREEMENT**

*July 31, 2024*

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Moelis & Company LLC
399 Park Avenue
New York, New York 10022

Virtu Americas LLC
1633 Broadway
41st Floor
New York, New York 10019

Ladies and Gentlemen:

Carvana Co., a Delaware corporation (the "**Company**") confirms its agreement with Barclays Capital Inc., Citigroup Global Markets Inc., Moelis & Company LLC and Virtu Americas LLC, as agents and/or principals, under any Terms Agreement (as defined in Section 1(a) below) ("**you**" or the "**Agents**"), with respect to the issuance and sale from time to time by the Company, in the manner and subject to the terms and conditions described below in this Amended and Restated Distribution Agreement (as so amended and restated, this "**Agreement**"), of up to the greater of (i) shares of Class A Common Stock, $0.001 par value per share (the "**Class A Common Stock**") representing an aggregate offering price of $1,000,000,000 (the "**Maximum Amount**"), or (ii) an aggregate number of 35,000,000 shares (the "**Maximum Number**") of Class A Common Stock, of the Company, on the terms set forth in Section 1 of this Agreement (excluding, and in addition to, any amount or number of shares of Class A Common Stock offered and sold pursuant to the Distribution Agreement (as defined below) prior to the date hereof). Such shares are hereinafter referred to as the "**Shares**" and are described in the Prospectus referred to below.

This Agreement amends and restates the Distribution Agreement, dated as of July 19, 2023, among the Company, Carvana Group, LLC ("Carvana Group"), Citigroup Global Markets Inc. and Moelis & Company LLC (the "**Distribution Agreement**"), as set forth herein. In the event of any inconsistency or conflict between this Agreement and the Distribution Agreement with respect to the matters set forth herein, the terms, provisions and conditions contained in this

Agreement shall govern and control, and the Carvana Parties and the Agents hereby affirm, confirm and ratify the same.

The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement on Form S-3ASR (No. 333-264391) (the "**registration statement**") for the registration of the Shares and other securities of the Company under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the "**Act**"); and such registration statement sets forth the terms of the offering, sale and plan of distribution of the Shares and contains additional information concerning the Company and its business. Except where the context otherwise requires, "**Registration Statement**," as used herein, means the registration statement, as amended at the time of such registration statement's effectiveness for purposes of Section 11 of the Act, as such section applies to the Agents, including (1) all documents filed as a part thereof or incorporated or deemed to be incorporated by reference therein and (2) any information contained or incorporated by reference in a prospectus filed with the Commission pursuant to Rule 424(b) under the Act, to the extent such information is deemed, pursuant to Rule 430B or Rule 430C under the Act, to be part of the registration statement at the effective time. "**Base Prospectus**" means the prospectus dated April 20, 2022 filed as part of the Registration Statement, including the documents incorporated by reference therein as of the date of such prospectus; "**Prospectus Supplement**" means the most recent prospectus supplement, including any amendments thereto, relating to the Shares, to be filed by the Company with the Commission pursuant to Rule 424(b) under the Act on or before the second (2nd) business day after the date of its first use in connection with a public offering or sale of Shares pursuant hereto (or such earlier time as may be required under the Act), in the form furnished by the Company to the Agents in connection with the offering of the Shares; "**Prospectus**" means the Prospectus Supplement (and any additional prospectus supplement prepared in accordance with the provision of Section 4(h) of this Agreement and filed in accordance with the provisions of Rule 424(b)) together with the Base Prospectus attached to or used with the Prospectus Supplement; and "**Permitted Free Writing Prospectus**" has the meaning set forth in Section 3(b). Any reference herein to the Registration Statement, the Base Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus shall, unless otherwise stated, be deemed to refer to and include the documents, if any, incorporated by reference, or deemed to be incorporated by reference, therein (the "**Incorporated Documents**"), including, unless the context otherwise requires, the documents, if any, filed as exhibits to such Incorporated Documents. Any reference herein to the terms "amend," "amendment" or "supplement" with respect to the Registration Statement, the Base Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus shall, unless stated otherwise, be deemed to refer to and include the filing of any document under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the "**Exchange Act**") on or after the initial effective date of the Registration Statement, or the date of the Base Prospectus, the Prospectus Supplement, the Prospectus or such Permitted Free Writing Prospectus, as the case may be, and deemed to be incorporated therein by reference. References in this Agreement to financial statements or other information that is "contained," "included," "described," "set forth" or "provided" in the Registration Statement, the Base Prospectus, the Prospectus Supplement, the Prospectus or any Permitted Free Writing Prospectus and any similar references shall, unless

stated otherwise, include any information incorporated or deemed to be incorporated by reference therein.

The Company and Carvana Group are herein referred to as the "**Carvana Parties**."

The Carvana Parties and the Agents, severally and not jointly, agree as follows:

1. Issuance and Sale.

(a) Upon the basis of the representations, warranties and agreements and subject to the terms and conditions set forth herein and provided that each of the Carvana Parties provides the Agents with any due diligence materials and information reasonably requested by the Agents necessary for each Agent to satisfy its respective due diligence obligations, on any Exchange Business Day (as defined below) selected by the Company, the Company and one Agent selected by the Company shall enter into an agreement in accordance with Section 2 hereof regarding the number of Shares to be placed by such Agent, as agent, and the manner in which and other terms upon which such placement is to occur (each such transaction being referred to as an "**Agency Transaction**"). The Company may also offer to sell the Shares directly to one Agent selected by the Company, as principal, in which event such parties shall enter into a separate agreement (each, a "**Terms Agreement**") in substantially the form of Exhibit A hereto (with such changes thereto as may be agreed upon by the Company and such Agent to accommodate a transaction involving additional underwriters), relating to such sale in accordance with Section 2(g) of this Agreement (each such transaction being referred to as a "**Principal Transaction**"). As used herein, (i) the "**Term**" shall be the period commencing on the date hereof and ending on the earlier of (x) the date on which the aggregate number of Shares issued and sold pursuant to this Agreement and any Terms Agreements are equal to the Maximum Amount or the Maximum Number, as applicable, and (y) any termination of this Agreement pursuant to Section 8, (ii) an "**Exchange Business Day**" means any day during the Term that is a trading day for the Exchange other than a day on which trading on the Exchange is scheduled to close prior to its regular weekday closing time, and (iii) "**Exchange**" means the New York Stock Exchange.

(b) Subject to the terms and conditions set forth below, the Company appoints the Agents as agents in connection with the offer and sale of Shares in any Agency Transactions entered into hereunder. The Agents will use commercially reasonable efforts, consistent with its normal trading and sales practices, to sell such Shares in accordance with the terms and subject to the conditions hereof and of the applicable Transaction Acceptance (as defined below). Neither the Company nor the Agents shall have any obligation to enter into an Agency Transaction. The Company shall be obligated to issue and sell through an Agent, and such Agent shall be obligated to use commercially reasonable efforts, consistent with its normal trading and sales practices and as provided herein and in the applicable Transaction Acceptance, to place Shares only if and when the Company makes a Transaction Proposal to such Agent related to such an Agency Transaction and a Transaction Acceptance related to such Agency Transaction has been delivered to the Company by such Agent as provided in Section 2 below.

(c) The Agents, as agents in any Agency Transaction, hereby covenant and agree, severally and not jointly, not to make any sales of the Shares on behalf of the Company pursuant to this Agreement other than (A) by means of ordinary brokers' transactions between members of the Exchange that qualify for delivery of a Prospectus in accordance with Rule 153 under the Act and meet the definition of an "at the market offering" under Rule 415(a)(4) under the Act (such transactions are hereinafter referred to as "**At the Market Offerings**") and (B) such other sales of the Shares on behalf of the Company in their respective capacities as agents of the Company as shall be agreed by the Company and the Agents in writing.

(d) If Shares are to be sold in an Agency Transaction in an At the Market Offering, the Agent selected by the Company for such Agency Transaction will confirm in writing to the Company the number of Shares sold on any Exchange Business Day and the related Gross Sales Price (as such term is defined in Section 2(b) below) no later than 5:00 p.m. (New York City time) on the Exchange Business Day on which such Shares are sold (any such date, a "**Sale Date**").

(e) If the Company shall default on its obligation to deliver Shares to the Agent selected by the Company pursuant to the terms of any Agency Transaction or Terms Agreement, the Carvana Parties jointly and severally shall (i) indemnify and hold harmless such Agent and its successors and assigns from and against any and all losses, claims, damages, liabilities and expenses arising from or as a result of such default by the Company and (ii) notwithstanding any such default, pay to the Agent for such Agency Transaction or Terms Agreement the commission to which the Agent would otherwise be entitled in connection with such sale in accordance with Section 2(b) below.

(f) Each of the Carvana Parties acknowledges and agrees that (i) there can be no assurance that the Agents will be successful in selling the Shares, (ii) the Agents shall incur no liability or obligation to the Company or any other person or entity if any Agent does not sell Shares for any reason other than a failure by the Agents to use their commercially reasonable efforts consistent with their normal trading and sales practices and applicable law and regulations to sell such Shares in accordance with the terms of this Agreement, and (iii) the Agents shall be under no obligation to purchase Shares on a principal basis pursuant to this Agreement, except as may otherwise be specifically agreed by the Agents and the Company in a Terms Agreement.

2. Transaction Acceptances and Terms Agreements.

(a) The Company may, from time to time during the Term, propose to one Agent selected by the Company that they enter into an Agency Transaction to be executed on a specified Exchange Business Day or over a specified period of Exchange Business Days, which proposal shall be made to such Agent by telephone or by email from any of the individuals listed as an authorized representative of the Company on Schedule A hereto to make such sales and shall set forth the information specified below (each, a "**Transaction Proposal**"). If such Agent selected by the Company agrees to the terms of such proposed Agency Transaction or if the Company and such Agent mutually agree to modified terms for such proposed Agency Transaction, then such Agent shall promptly deliver to the Company by email a notice (each, a "**Transaction Acceptance**") confirming the terms of such proposed Agency Transaction as set

forth in such Transaction Proposal or setting forth the modified terms for such proposed Agency Transaction as agreed by the Company and such Agent, as the case may be, whereupon such Agency Transaction shall become a binding agreement between the Company and the Agents (acting severally and not jointly). Each Transaction Proposal shall specify:

(i)the Agent selected by the Company for such Agency Transaction;

(ii)the Exchange Business Day(s) on which the Shares subject to such Agency Transaction are intended to be sold (each, a "**Purchase Date**");

(iii)the maximum number of Shares to be sold by such Agent (the "**Specified Number of Shares**") on, or over the course of, such Purchase Date(s), or as otherwise agreed between the Company and such Agent and documented in the relevant Transaction Acceptance;

(iv)the lowest price, if any, at which the Company is willing to sell Shares on each such Purchase Date or a formula pursuant to which such lowest price shall be determined (each, a "**Floor Price**"); and

(v)if other than 2.0% of the Gross Sales Price, such Agent's discount or commission.

A Transaction Proposal shall not set forth a Specified Number of Shares that, when added to the aggregate number of Shares previously purchased and to be purchased pursuant to pending Transaction Acceptances (if any) hereunder and any Terms Agreements, results or could result in a total number of shares that exceeds the Maximum Amount or the Maximum Number, as applicable, nor shall it set forth a Floor Price which is lower than the minimum price authorized from time to time by the Company's board of directors or, if permitted by applicable law and the Company's charter and by-laws, a duly authorized committee thereof. The Company shall have responsibility for maintaining records with respect to the aggregate number of Shares sold and for otherwise monitoring the availability of Shares for sale under the Registration Statement and for insuring that the aggregate number of Shares offered and sold does not exceed, and the price at which any Shares are offered or sold is not lower than, the aggregate number of Shares and the minimum price authorized from time to time by the Company's board of directors or, if permitted by applicable law and the Company's charter and by-laws, a duly authorized committee thereof. In the event that more than one Transaction Acceptance with respect to any Purchase Date(s) is delivered by the same Agent to the Company, the latest Transaction Acceptance shall govern any sales of Shares for the relevant Purchase Date(s), except to the extent of any action occurring pursuant to a prior Transaction Acceptance and prior to the delivery to the Company of the latest Transaction Acceptance. The Company or the Agent for an Agency Transaction may, upon notice to the other such party by telephone (confirmed promptly by e-mail), suspend or terminate the offering of the Shares pursuant to such Agency Transaction for any reason; *provided*, *however*, that such suspension or termination shall not affect or impair the parties' respective obligations with respect to the Shares sold hereunder prior to the receipt of such notice by the other party or their respective obligations under any Terms Agreement. Notwithstanding the foregoing, if the terms of any Agency Transaction contemplate that Shares

shall be sold on more than one Purchase Date, then the Company and the Agent for such Agency Transaction shall mutually agree to such additional terms and conditions as they deem reasonably necessary in respect of such multiple Purchase Dates, and such additional terms and conditions shall be set forth in or confirmed by, as the case may be, the relevant Transaction Acceptance and be binding to the same extent as any other terms contained therein.

(b) The Purchase Date(s) in respect of the Shares deliverable pursuant to any Transaction Acceptance shall be set forth in or confirmed by, as the case may be, the applicable Transaction Acceptance. Except as otherwise agreed between the Company and the Agent for an Agency Transaction, such Agent's commission for any Shares sold through such Agent pursuant to this Agreement shall be a percentage, not to exceed 2.0%, of the actual sales price of such Shares (the "**Gross Sales Price**"), which commission shall be as set forth in or confirmed by, as the case may be, the applicable Transaction Acceptance; *provided*, *however*, that such commission shall not apply when any Agent acts as principal, in which case such commission or a discount shall be set forth in the applicable Terms Agreement. Such commission payable to the Agent for any Agency Transactions shall be set forth and invoiced in monthly periodic statements from such Agent to the Company, with payment to be made by the Company to such Agent promptly after its receipt thereof. Notwithstanding the foregoing, in the event the Company engages any Agent for a sale of Shares in an Agency Transaction that would constitute a "distribution," within the meaning of Rule 100 of Regulation M under the Exchange Act, the Company will provide such Agent, at the Agent's request and upon reasonable advance notice to the Company, on or prior to the Settlement Date the opinions of counsel, accountants' letters and officers' certificates pursuant to Section 5(a) hereof, each dated the Settlement Date, and such other documents and information as such Agent shall reasonably request, and the Company and such Agent will agree to compensation that is customary for such Agent with respect to such transaction.

(c) Payment of the Gross Sales Price for Shares sold by the Company on any Purchase Date pursuant to a Transaction Acceptance shall be made to the Company by wire transfer of immediately available funds to the account of the Company (which the Company shall provide to the Agent for an Agency Transaction at least one (1) Exchange Business Day prior to the applicable Agency Settlement Date (as defined below)) against delivery of such Shares to such Agent's accounts, or accounts of such Agent's respective designees, at The Depository Trust Company through its Deposit and Withdrawal at Custodian System ("**DWAC**") or by such other means of delivery as may be agreed to by the Company and such Agent. Such payment and delivery shall be made at or about 10:00 a.m. (New York City time) on the second (2nd) Exchange Business Day (or such other day as may, from time to time, become standard industry practice for settlement of such a securities issuance or as agreed to by the Company and such Agent) following each Purchase Date (each, an "**Agency Settlement Date**").

(d) If, as set forth in or confirmed by, as the case may be, the related Transaction Acceptance, a Floor Price has been agreed to by the applicable parties with respect to a Purchase Date, and the Agent for such Agency Transaction thereafter determines and notifies the Company that the Gross Sales Price for such Agency Transaction would not be at least equal to such Floor Price, then the Company shall not be obligated to issue and sell through

such Agent, and such Agent shall not be obligated to place, the Shares proposed to be sold pursuant to such Agency Transaction on such Purchase Date, unless the Company and such Agent otherwise agree in writing.

(e) If any party has reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are not satisfied with respect to the Shares, it shall promptly notify the other party and sales of the Shares under this Agreement, any Transaction Acceptance or any Terms Agreement shall be suspended until that or other exemptive provisions have been satisfied in the judgment of each party. On or prior to the delivery of a prospectus that is required (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with the offering or sale of the Shares, the Company shall calculate the average daily trading volume (as defined under "**ADTV**" by Rule 100 of Regulation M under the Exchange Act) of the Class A Common Stock based on market data provided by Bloomberg L.P. or such other sources as agreed upon by the Company and the Agents.

(f) (i) If the Company wishes to issue and sell the Shares pursuant to this Agreement but other than as set forth in Section 2(a) of this Agreement, it will notify one Agent selected by the Company for such Principal Transaction of the proposed terms of the Principal Transaction. If any such Agent, acting as principal, wishes to accept such proposed terms (which such Agent may decline to do for any reason in its sole discretion) or, following discussions with the Company, wishes to accept amended terms, the Company and such Agent shall enter into a Terms Agreement setting forth the terms of such Principal Transaction.

(ii) The terms set forth in a Terms Agreement shall not be binding on the Company or such Agent unless and until the Company and such Agent have each executed and delivered such Terms Agreement accepting all of the terms of such Terms Agreement. In the event of a conflict between the terms of this Agreement and the terms of a Terms Agreement, the terms of such Terms Agreement shall control.

(g) Each sale of the Shares to an Agent in a Principal Transaction shall be made in accordance with the terms of this Agreement and a Terms Agreement, which shall provide for the sale of such Shares to, and the purchase thereof by, such Agent for such Principal Transaction (acting severally and not jointly). A Terms Agreement may also specify certain provisions relating to the reoffering of such Shares by such Agent. The commitments of the Agent selected by the Company for such Principal Transaction to purchase the Shares pursuant to any Terms Agreement shall be deemed to have been made on the basis of the representations, warranties and agreements of the Company contained, and shall be subject to the terms and conditions set forth, in this Agreement and such Terms Agreement. Any such Terms Agreement shall specify the number of the Shares to be purchased by the Agent party thereto, the price to be paid to the Company for such Shares, any provisions relating to rights of, and default by, underwriters, if any, acting together with the Agent for such Principal Transaction in the reoffering of the Shares, and the time and date (each such time and date being referred to herein as a "**Principal Settlement Date**"; and, together with any Agency Settlement Date, a "**Settlement Date**") and place of delivery of and payment for such Shares.

(h) Notwithstanding any other provision of this Agreement, the Carvana Parties shall not offer, sell or deliver, or request the offer or sale, of any Shares pursuant to this Agreement (whether in an Agency Transaction or a Principal Transaction) and, by notice to the Agents given by telephone (confirmed promptly by email), shall cancel any instructions for the offer or sale of any Shares, and the Agents shall not be obligated to offer or sell any Shares, (i) during any period in which the Company's insider trading policy, as in effect from time to time, would prohibit the purchases or sales of the Company's Class A Common Stock by any of its officers or directors, (ii) during any period in which the Company is in possession of material non-public information or (iii) at any time from and including the date on which the Company shall issue a press release containing, or shall otherwise publicly announce, its earnings, revenues or other results of operations (an "**Earnings Announcement**") through and including the time that is twenty-four (24) hours after the time that the Company files a Quarterly Report on Form 10-Q or an Annual Report on Form 10-K that includes consolidated financial statements as of and for the same period or periods, as the case may be, covered by such Earnings Announcement.

(i) The Carvana Parties agree that any offer to sell, any solicitation of an offer to buy, or any sales of Shares by the Company shall be effected only by or through one Agent on any Exchange Business Day.

(j) Anything in this Agreement to the contrary notwithstanding, the Carvana Parties shall not authorize the issuance and sale of, and the Agents, as sales agents, shall not be obligated to use their commercially reasonable efforts, consistent with its normal trading and sales practices, to sell, any Shares at a price lower than the minimum price, or in a number or with an aggregate gross or net sales price in excess of the number or aggregate gross or net sales price, as the case may be, authorized from time to time to be issued and sold under this Agreement and any Terms Agreement, in each case by the Company's board of directors or, if permitted by applicable law and the Company's charter and by-laws, a duly authorized committee thereof, or in a number in excess of the number of Shares approved for listing on the Exchange, or in excess of the number or amount of Shares available for issuance on the Registration Statement or as to which the Company has paid the applicable registration fee, it being understood and agreed by the parties hereto that compliance with any such limitations shall be the sole responsibility of the Company.

3. Representations, Warranties and Agreements of the Company. Each of the Carvana Parties jointly and severally represents and warrants to, and agrees with, the Agents, on and as of (i) the date hereof, (ii) each date on which the Company receives a Transaction Acceptance (the "**Time of Acceptance**"), (iii) each date on which the Company executes and delivers a Terms Agreement, (iv) each Time of Sale (as defined in Section 3(a)), (v) each Settlement Date and (vi) each Bring-Down Delivery Date (as defined in Section 6(b)) (each such date listed in (i) through (vi), a "**Representation Date**"), except for any representations and warranties that speak as of a specific date, in which case such representation and warranty speaks only as of such date, as follows:

(a) Registration Statement, Prospectus and Disclosure at Time of Sale. The Registration Statement is an "automatic shelf registration statement" as defined under Rule 405 of the Act. The initial effective date of the Registration Statement was not earlier than the date three (3) years prior to the date hereof; there is no order preventing or suspending the use of the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, and, to the knowledge of the Company, no proceeding for that purpose or pursuant to Section 8A of the Act against the Company or related to the offering of the Shares has been initiated or threatened by the Commission; no notice of objection of the Commission to the use of such Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company; the Registration Statement complied when it initially became effective, complies as of the date hereof and, as then amended or supplemented, as of each other Representation Date will comply, in all material respects, with the requirements of the Act; the conditions to the use of Form S-3 in connection with the offering and sale of the Shares as contemplated hereby have been satisfied; the Registration Statement meets, and the offering and sale of the Shares as contemplated hereby comply with, the applicable requirements of Rule 415 under the Act (including, without limitation, Rule 415(a)(5)); the Prospectus complied or will comply, at the time it was or will be filed with the Commission, and will comply, as then amended or supplemented, as of each Representation Date, in all material respects, with the applicable requirements of the Act; the Registration Statement did not, as of the time of its initial effectiveness, and does not or will not, as then amended or supplemented, as of each Representation Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; as of each Representation Date, the Prospectus, as then amended or supplemented, together with all of the then issued Permitted Free Writing Prospectuses, if any, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however,* that the Company makes no representation or warranty with respect to any statement in or omission from the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus made in reliance upon and in conformity with information concerning the Agents and furnished in writing by or on behalf of the Agents expressly for use in the Registration Statement, the Prospectus or such Permitted Free Writing Prospectus (it being understood that such information consists solely of the information specified in Section 9(b)). As used herein, "**Time of Sale**" means (i) with respect to each offering of Shares pursuant to this Agreement, the time of the Agents' initial entry into contracts with investors for the sale of such Shares and (ii) with respect to each offering of Shares pursuant to any relevant Terms Agreement, the time of sale of such Shares.

(b) Permitted Free Writing Prospectus. Prior to the execution of this Agreement, the Company has not, directly or indirectly, offered or sold any of the Shares by means of any "prospectus" (within the meaning of the Act) or used any "prospectus" (within the meaning of the Act) in connection with the offer or sale of the Shares, in each case other than the Base Prospectus. The Company represents and agrees that, unless it obtains the prior consent of the Agents, until the termination of this Agreement, it has not made and will not make any offer relating to the Shares that would constitute an "issuer free writing prospectus" (as defined in Rule 433 under the Act) or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405 under the Act) other than any Permitted Free Writing Prospectus. Any such

free writing prospectus relating to the Shares consented to by the Agents (including any Free Writing Prospectus prepared by the Company solely for use in connection with the offering contemplated by a particular Terms Agreement) is hereinafter referred to as a "**Permitted Free Writing Prospectus**." The Company has complied and will comply in all material respects with the requirements of Rule 433 under the Act applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping. The conditions set forth in one or more of subclauses (i) through (iv), inclusive, of Rule 433(b)(1) under the Act are satisfied, and the registration statement relating to the offering of the Shares contemplated hereby, as initially filed with the Commission, includes a prospectus that, other than by reason of Rule 433 under the Act, satisfies the requirements of Section 10 of the Act; the Company is not disqualified, by reason of Rule 164(f) or (g) under the Act, from using, in connection with the offer and sale of the Shares, "free writing prospectuses" (as defined in Rule 405 under the Act) pursuant to Rules 164 and 433 under the Act; the Company was as of the latest eligibility determination date and is a "well-known seasoned issuer" (each as defined in Rule 405 under the Act); and, if the latest determination date for purposes of the Rule 164 and 433 under the Act were the date of this Agreement, the Company would not be considered to be an "ineligible issuer" and be considered a "well-known seasoned issuer." The Company has paid or, no later than the business day after the date of this Agreement, will pay the registration fee for the offering of the Maximum Amount of Shares pursuant to Rule 457 under the Act.

(c) Incorporated Documents. The Incorporated Documents, when they were filed with the Commission (or, if any amendment with respect to any such document was filed, when such amendment was filed), conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and none of such documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and any further documents so filed during the Term and incorporated by reference in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Independent Accountants. The accountants who certified the financial statements of the Company and any supporting schedules included in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus are independent public accountants with respect to the Company as required by the Act, the Exchange Act and the Public Company Accounting Oversight Board (United States).

(e) Financial Statements. The financial statements of the Carvana Parties included or incorporated by reference in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, together with the related schedules (if any) and notes, present fairly in all material respects the financial position of the Company and its consolidated subsidiaries at the dates indicated and the results of operations, changes in stockholders' equity

and cash flows of the Company and its consolidated subsidiaries for the periods specified; and all such financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved and comply with all applicable accounting requirements under the Act and the Exchange Act. The supporting schedules, if any, included in the Registration Statement present fairly, in all material respects and in accordance with GAAP, the information required to be stated therein. All "non-GAAP financial measures" (as such term is defined in the rules and regulations of the Commission), if any, contained or incorporated by reference in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus comply with Item 10 of Regulation S-K of the Commission, to the extent applicable. The pro forma financial information and the related notes thereto included or incorporated by reference in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus have been prepared in accordance with the applicable requirements of the Act and the Exchange Act; and the assumptions underlying such pro forma financial information are reasonable and are set forth in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (or documents incorporated by reference therein). Except as included therein or have been filed with the Commission, no historical or pro forma financial statements or supporting schedules (or other financial information) are required to be included or incorporated by reference in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus under the Act or the Exchange Act.

(f) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus (in each case exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), (A) there has been no material adverse change or any development that could reasonably be expected to result in a material adverse change in the financial condition, results of operations, business, properties, management or business prospects of the Carvana Parties and their respective subsidiaries taken as a whole (in any such case, a "**Material Adverse Effect**"); (B) except as otherwise disclosed in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (in each case exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), neither of the Carvana Parties nor any of their respective subsidiaries has incurred any liability or obligation or entered into any transaction or agreement that, individually or in the aggregate, is material with respect to the Carvana Parties and their respective subsidiaries, taken as a whole, and neither the Carvana Parties nor any of their respective subsidiaries has sustained any loss or interference with its business or operations from fire, explosion, flood, earthquake or other natural disaster or calamity, whether or not covered by insurance, or from any labor dispute or disturbance or court or governmental action, order or decree which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; and (C) there has not been any change in the capital stock (other than the issuance of shares of Class A Common Stock upon exercise of stock options issued under, and the grant of options and awards under, equity incentive plans described in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, or the issuance of Shares pursuant to this Agreement), or short-term debt or long-term debt (except for borrowings and the repayment of borrowings in the ordinary course of business) of the Carvana Parties or any of their respective subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Carvana Parties or

any of their respective subsidiaries on any class of capital stock (other than regularly scheduled cash dividends in amounts that are consistent with past practice);

(g) Good Standing of the Company and Carvana Group Each of the Company and Carvana Group has been duly organized and is validly existing as a corporation and a limited liability company, respectively, in good standing under the laws of the State of Delaware and has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus and to enter into and perform its obligations under this Agreement; and each of the Company and Carvana Group is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(h) Good Standing of Subsidiaries. Each of the subsidiaries listed on Exhibit C hereto has been duly organized and is validly existing as a corporation, limited or general partnership or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its organization, has corporate or similar power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus and is duly qualified as a foreign corporation, limited or general partnership or limited liability company, as the case may be, to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect; except as otherwise disclosed in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, all of the issued and outstanding shares of capital stock of each such subsidiary that is a corporation, all of the issued and outstanding partnership interests of each such subsidiary that is a limited or general partnership and all of the issued and outstanding limited liability company interests, membership interests or other similar interests of each such subsidiary that is a limited liability company have been duly authorized and validly issued, are fully paid and (except in the case of general partnership interests) non- assessable and are owned by the Company or Carvana Group, as applicable, directly or through subsidiaries, free and clear of all Liens, except for such Liens as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and none of the issued and outstanding shares of capital stock of any such subsidiary that is a corporation, none of the issued and outstanding partnership interests of any such subsidiary that is a limited or general partnership, and none of the issued and outstanding limited liability company interests, membership interests or other similar interests of any such subsidiary that is a limited liability company were issued in violation of any preemptive rights, rights of first refusal or other similar rights of any securityholder of such subsidiary or any other person that have not been waived in writing. Any subsidiaries of the Company and Carvana Group which are “significant subsidiaries” as defined by Rule 1-02 of Regulation S-X are listed on Exhibit C hereto under the caption “Material Subsidiaries.”

(i) Capitalization. The Company's authorized capital stock is as set forth in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus; as of July 30, 2024, the Company had 123,824,087 shares of Class A Common Stock issued and outstanding (except for subsequent issuances, if any, subsequent to the date of this Agreement pursuant to employee or director stock option, stock purchase or other equity incentive plans described in the Registration Statement and the Prospectus, upon the exercise of options issued pursuant to any such stock option, stock purchase or other equity incentive plans as so described, or upon vesting and settlement of restricted stock awards and units described in the Registration Statement and the Prospectus) and no shares of Preferred Stock were issued and outstanding. The shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non assessable, and were issued in compliance in all material respects with all applicable state and federal securities and "blue-sky" laws; and none of the outstanding shares of capital stock of the Company was issued in violation of any preemptive rights, rights of first refusal or other similar rights of any securityholder of the Company or any other person that have not been waived in writing. All of the membership interests of Carvana Group outstanding upon consummation of this offering will be validly issued, the holders of such membership interests will have no obligation to make any further payments for the purchase of such membership interests or contributions to Carvana Group solely by reason of their ownership of such membership interests, and, to the extent owned by the Company, will be owned free and clear of any perfected security interest or any other security interests, claims, liens or encumbrances other than as described in the Registration Statement and the Prospectus.

(j) Stock Options. With respect to the stock options (the "**Stock Options**") granted pursuant to the stock-based compensation plans of the Company and its subsidiaries (the "**Company Stock Plans**"), (i) each Stock Option intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended, so qualifies, (ii) each grant of a Stock Option was duly authorized no later than the date on which the grant of such Stock Option was by its terms to be effective (the "**Grant Date**") by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, (iii) each such grant was made in accordance with the terms of the Company Stock Plans, the Exchange Act and all other applicable laws and regulatory rules or requirements, including the rules of the Exchange and any other exchange on which Company securities are traded, and (iv) each such grant was properly accounted for in accordance with GAAP in the financial statements (including the related notes) of the Company and disclosed in the Company's filings with the Commission in accordance with the Exchange Act and all other applicable laws. The Company has not knowingly granted, and there is no and has been no policy or practice of the Company of granting, Stock Options prior to, or otherwise coordinating the grant of Stock Options with, the release or other public announcement of material information regarding the Company or its subsidiaries or their results of operations or prospects.

(k) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by each of the Company and Carvana Group, as applicable, and any

Terms Agreement will have been duly authorized, executed and delivered by each of the Company and Carvana Group, as applicable. The Carvana Parties have full right, power and authority to execute and deliver this Agreement and any Terms Agreement and perform their obligations hereunder or thereunder, including the Company's issuance, sale and delivery of the Shares as provided herein and therein; and all action required to be taken for the due and proper authorization, execution and delivery by each of the Carvana Parties of this Agreement and any Terms Agreement and the consummation by it of the transactions contemplated hereby and thereby has been duly and validly taken (or, in the case of any Terms Agreement, such action will have been duly and validly authorized).

(l) Authorization of Securities. The Shares to be sold by the Company under this Agreement or under any Terms Agreement have been duly authorized for issuance and sale and, when issued and delivered by the Company pursuant to this Agreement or any Terms Agreement against payment of the consideration set forth herein or therein, as the case may be, will be validly issued, fully paid and non-assessable; no holder of the Shares is or will be subject to personal liability by reason of being such a holder; and the issuance and sale of the Shares to be sold by the Company under this Agreement or under any Terms Agreement are not subject to any preemptive rights, rights of first refusal or other similar rights of any securityholder of the Company or any other person. The membership interests of Carvana Group outstanding prior to the consummation of this offering have been duly authorized and are validly issued, fully paid and non-assessable.

(m) Description of Securities. The Class A Common Stock, the authorized but unissued Preferred Stock, all classes or series of Preferred Stock outstanding on the date of this Agreement, all outstanding warrants and convertible securities, the authorized membership interests of Carvana Group and the Company's charter and bylaws conform in all material respects to the respective statements relating thereto contained in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectuses and such statements conform in all material respects to the rights set forth in the respective instruments and agreements defining the same.

(n) Absence of Defaults and Conflicts. Neither of the Carvana Parties nor any of their respective subsidiaries is in violation of its Organizational Documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any Company Document, except (solely in the case of Company Documents other than Subject Instruments) for such defaults that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and any Terms Agreement, and the consummation of the transactions contemplated herein and therein and in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectuses (including the issuance and sale of the Shares and the use of the proceeds from the sale of the Shares as described in the Registration Statement and the Prospectus under the caption "Use of Proceeds") and compliance by the Carvana Parties with their obligations under this Agreement and any Terms Agreement do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default, Termination Event or Repayment Event under, or result in the creation or imposition of any Lien

upon any property or assets of the Carvana Parties or any of their respective subsidiaries pursuant to, any Company Documents, except (solely in the case of Company Documents other than Subject Instruments) for such conflicts, breaches, defaults or Liens that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, nor will such action result in any violation of (i) the provisions of the Organizational Documents of either Carvana Party or any of their respective subsidiaries or (ii) any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Carvana Parties or any of their respective subsidiaries or any of their respective assets, properties or operations, except for such violations as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(o) Absence of Further Requirements. (A) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency, domestic or foreign, (B) no authorization, approval, vote or consent of any holder of capital stock or other securities of the Carvana Parties or creditor of the Carvana Parties or any of their respective subsidiaries, (C) no authorization, approval, waiver or consent under any (i) Subject Instrument or (ii) other Company Document that is material with respect to the Carvana Parties and their subsidiaries taken as a whole, and (D) no authorization, approval, vote or consent of any other person or entity, is necessary or required for the authorization, execution, delivery or performance by the Carvana Parties of this Agreement or any Terms Agreement, for the offering of the Shares as contemplated by this Agreement or any Terms Agreement, for the issuance, sale or delivery of the Shares to be sold by the Company pursuant to this Agreement or any Terms Agreement, or for the consummation of any of the other transactions contemplated by this Agreement or any Terms Agreement in each case on the terms contemplated by the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, except such as have been obtained under the Act, the Exchange Act and except that no representation is made as to such authorization, approval, vote or consent as may be required under state or foreign securities laws.

(p) Absence of Labor Dispute. No labor dispute with the employees of the Carvana Parties or any subsidiary of the Carvana Parties exists or, to the knowledge of the Carvana Parties, is imminent, which might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(q) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Carvana Parties, threatened, against or affecting the Carvana Parties or any of their respective subsidiaries which is required to be disclosed in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (other than as disclosed therein), or which might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or to materially and adversely affect the consummation of the transactions contemplated in this Agreement or any Terms Agreement or the performance by the Carvana Parties of their respective obligations under this Agreement or any Terms Agreement; the aggregate of all pending legal or governmental proceedings to which

the Carvana Parties or any of their respective subsidiaries is a party or of which any of their respective property or assets is the subject which are not described in the Registration Statement and the Prospectus, including ordinary routine litigation incidental to the business, would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(r) Accuracy of Descriptions and Exhibits. The information in the Prospectus under the captions "Organizational Structure," "Description of Capital Stock," and "Material U.S. Federal Income Tax Considerations for Non-U.S. Holders," and the information in the Registration Statement under Items 14 and 15, in each case to the extent that it constitutes matters of law, summaries of legal matters, summaries of provisions of the Carvana Parties' charter, bylaws or organizational documents, as applicable, or any other instruments or agreements, summaries of legal proceedings, or legal conclusions, is correct in all material respects; all descriptions in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus of any other Company Documents are accurate in all material respects; and there are no franchises, contracts, indentures, mortgages, deeds of trust, loan or credit agreements, bonds, notes, debentures, evidences of indebtedness, leases or other instruments, agreements or documents required to be described or referred to in the Registration Statement or the Prospectus or the documents incorporated or deemed to be incorporated by reference therein or to be filed as exhibits to the Registration Statement or the documents incorporated or deemed to be incorporated by reference therein which have not been so described and filed as required. This Agreement conforms, and each Terms Agreement will conform, in all material respects to the description thereof contained in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus.

(s) Possession of Intellectual Property. (i) The Carvana Parties and their respective subsidiaries own and possess or have valid and enforceable licenses to use, all patents, patent rights, patent applications, licenses, copyrights, inventions, know how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names, service names, software, internet addresses, domain names and other intellectual property (including all goodwill associated with, and all registrations and applications for registration of, the foregoing) (collectively, "**Intellectual Property**") that is described in the Registration Statement and the Prospectus or that is necessary for the conduct of their respective businesses as currently conducted, as proposed to be conducted and as described in the Registration Statement and the Prospectus; and (ii) neither the Carvana Parties nor any of their respective subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with rights of others with respect to any Intellectual Property, in each case of (i) and (ii), except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. There is no pending or, to the knowledge of the Carvana Parties, threatened action, suit, proceeding or claim by any third party challenging the Carvana Parties' or any of their respective subsidiaries' rights in or to their Intellectual Property, or challenging the validity, enforceability or scope of any such Intellectual Property, or asserting that the Carvana Parties or any of their respective subsidiaries infringes or otherwise violates Intellectual Property rights of any third party, in each instance, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. The Carvana Parties are unaware of any facts which could form a reasonable

basis for any such action, suit, proceeding or claim, in each instance, except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. To the knowledge of the Carvana Parties and their respective subsidiaries, (i) no third party has infringed, misappropriated or otherwise violated any Intellectual Property owned by or exclusively licensed to the Carvana Parties in any material respects; (ii) the Carvana Parties and their respective subsidiaries have in all material respects complied with the terms of each agreement pursuant to which any Intellectual Property has been licensed to the Carvana Parties or any of their respective subsidiaries, all such agreements are in full force and effect, and no event or condition has occurred or exists that gives or, with notice or passage of time or both, would give any person the right to terminate any such agreement; and (iii) to the knowledge of the Carvana Parties, there is no patent or patent application that contains claims that interfere with the issued or pending claims of any such Intellectual Property of the Carvana Parties or any of their respective subsidiaries that could reasonably be used to challenge the validity, enforceability or scope of any such Intellectual Property.

(t) Possession of Licenses and Permits. Except as disclosed in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, the Carvana Parties and their respective subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them; and, except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, the Carvana Parties and their respective subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, all such Governmental Licenses are valid and in full force and effect and neither the Carvana Parties nor any of their respective subsidiaries have received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses that would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(u) Title to Property. The Carvana Parties and their respective subsidiaries have good and marketable title in fee simple to all real property owned by any of them (if any) and good title to all other properties and assets owned by any of them, in each case, free and clear of all Liens except such as (a) are described in the Registration Statement and the Prospectus or (b) are not, individually or in the aggregate, material to the Carvana Parties and their respective subsidiaries taken as a whole, are not required to be disclosed in the Registration Statement or the Prospectus, do not, individually or in the aggregate, materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Carvana Parties or any of their respective subsidiaries; all real property, buildings and other improvements, and all equipment and other property, held under lease or sublease by the Carvana Parties or any of their respective subsidiaries is held by them under valid, subsisting and enforceable leases or subleases, as the case may be, with, solely in the case of leases or subleases relating to real property, buildings or other improvements, such exceptions as are not material and do not materially interfere with the use made or proposed to be made of such property and buildings or other improvements by the Carvana Parties or any of their respective subsidiaries, and all such leases and subleases are in full force and effect; and neither of the Carvana Parties nor any of their respective subsidiaries has received any notice of any

claim of any sort that has been asserted by anyone adverse to the rights of the Carvana Parties or any of their respective subsidiaries under any of the leases or subleases mentioned above or affecting or questioning the rights of the Carvana Parties or any of their respective subsidiaries to the continued possession of the leased or subleased premises, or to the continued use of the leased or subleased equipment or other property, except for such claims which, if successfully asserted against the Carvana Parties or any of their respective subsidiaries, would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(v) Investment Company Act. Neither of the Carvana Parties are, and upon the issuance and sale of the Shares as herein contemplated and the receipt and application of the net proceeds therefrom as described in the Registration Statement and the Prospectus under the caption "Use of Proceeds," will not be, an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the 1940 Act.

(w) Environmental Laws. (i) Except as described in the Registration Statement and the Prospectus and except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (A) neither the Carvana Parties nor any of their respective subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or natural resources, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"), (B) the Carvana Parties and their respective subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the knowledge of the Carvana Parties, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Carvana Parties or any of their respective subsidiaries and (D) to the knowledge of the Carvana Parties, there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental authority or agency, against or affecting the Carvana Parties or any of their respective subsidiaries relating to Hazardous Materials or any Environmental Laws.

(x) Absence of Registration Rights. There are no persons with registration rights or other similar rights to have any securities (debt or equity) (A) registered pursuant to the Registration Statement or included in the offering contemplated by this Agreement or any Terms Agreement or (B) otherwise registered by the Company under the Act, and there are no persons with co-sale rights, tag-along rights or other similar rights to have any securities (debt or equity) included in the offering contemplated by this Agreement or any Terms Agreement or sold in connection with the sale of Shares, except in each case for such rights that have been duly

waived; and the Carvana Parties have given all notices required by, and has otherwise complied with their obligations under, all registration rights agreements, co-sale agreements, tag-along agreements and other similar agreements in connection with the transactions contemplated by this Agreement.

(y) Exchange Listing. The outstanding shares of Class A Common Stock are listed on the Exchange and the Shares being sold hereunder by the Company have been approved for listing, subject only to official notice of issuance, on the Exchange.

(z) Actively-Traded Security. The Class A Common Stock is an "actively-traded security" excepted from the requirements of Rule 101 of Regulation M under the Exchange Act by Rule 101(c)(1) thereunder.

(aa) Tax Returns. The Company and its subsidiaries have filed all non-U.S., federal, state and local tax returns that are required to be filed or have obtained extensions thereof, except where the failure so to file would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, and have paid all taxes (including, without limitation, any estimated taxes) required to be paid and any other assessment, fine or penalty, to the extent that any of the foregoing is due and payable, except for any such tax, assessment, fine or penalty that is currently being contested in good faith by appropriate actions and except for such taxes, assessments, fines or penalties the nonpayment of which would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(bb) Insurance. The Carvana Parties and their respective subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; all policies of insurance and any fidelity or surety bonds insuring the Carvana Parties or any of their respective subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect except as would not individually or in the aggregate reasonably be expected to result in a Material Adverse Effect; the Carvana Parties and their respective subsidiaries are in compliance with the terms of such policies and instruments in all material respects; there are no claims by the Carvana Parties or any of their respective subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and neither the Carvana Parties nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers at a cost that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(cc) Accounting and Disclosure Controls. The Carvana Parties and their respective subsidiaries have established and maintain effective "internal control over financial reporting" (as defined in Rule 13a-15 of the Exchange Act). The Carvana Parties and their respective subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset

accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (E) interactive data in eXtensible Business fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto. Except as described in the Registration Statement and the Prospectus, there has not been (1) since the first (1st) day of the Carvana Parties' earliest fiscal year for which audited financial statements for either Carvana Party are included in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus or at any time subsequent thereto, any material weakness (as defined in Rule 1-02 of Regulation S-X of the Commission) in the Carvana Parties' internal control over financial reporting (whether or not remediated), or (2) any fraud, whether or not material, involving management or other employees who have a role in the Carvana Parties' internal control over financial reporting and, since the end of the Carvana Parties' most recent fiscal year for which audited financial statements are included in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, there has been no change in the Carvana Parties' internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Carvana Parties' internal control over financial reporting. The Carvana Parties and their respective subsidiaries have established, maintained and periodically evaluate the effectiveness of "disclosure controls and procedures" (as defined in Rules 13a-15 and 15d-15 of the Exchange Act); such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and the interactive data in eXtensible Business Reporting Language included as an exhibit to the Registration Statement or incorporated by reference in the Registration Statement are recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and is accumulated and communicated to the Company's management, including its principal executive officer or officers and principal financial officer or officers, as appropriate, to allow timely decisions regarding disclosure.

The Carvana Parties' independent public accountants and the audit committee of the Carvana Parties' boards of directors have been advised of all material weaknesses, if any, and significant deficiencies (as defined in Rule 1-02 of Regulation S-X of the Commission), if any, in the Carvana Parties' internal control over financial reporting and of all fraud, if any, whether or not material, involving management or other employees who have a role in the Carvana Parties' internal controls and financial reports, in each case that occurred or existed, or was first detected, at any time during the Carvana Parties' fiscal years for which audited financial statements for either Carvana Party are included or incorporated by reference in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus or at any time subsequent thereto.

(dd) Compliance with the Sarbanes-Oxley Act. There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act with which any of them is required to comply, including Section 402 related to loans and Sections 302 and 906 related to certifications.

(ee) Pending Proceedings and Examinations; Comment Letters. The Registration Statement is not the subject of a pending proceeding or examination under Section 8(d) or 8(e) of the Act, and the Company is not the subject of a pending proceeding under Section 8A of the Act. The Company has provided the Agents with true, complete and correct copies of any written comments received from the Commission by the Company or its legal counsel or accountants, and of any transcripts made by the Company, its legal counsel or accountants of any oral comments received from the Commission, with respect to the Registration Statement, the Prospectus, any Permitted Free Writing Prospectus, any document filed by the Company under the Exchange Act or any amendments or supplements to any of the foregoing and of all written responses thereto, and no such comments remain unresolved.

(ff) Absence of Manipulation. The Company has not taken and will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security to facilitate the sale or resale of the Shares; provided, however, the Company makes no such representation or warranty with respect to actions of the Agents or any of their respective affiliates or agents.

(gg) No Unlawful Payments. Neither the Carvana Parties nor any of their respective subsidiaries nor any director or officer of the Carvana Parties or any of their respective subsidiaries, nor, to the knowledge of the Carvana Parties, any agent, manager, employee, affiliate or other person associated with or acting on behalf of the Carvana Parties or any of their respective subsidiaries is aware of or has taken any action, directly or indirectly, that has resulted or would result in (i) the use of any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to a political activity; (ii) the making or taking of an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government or regulatory official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) a violation by any such person of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti-corruption laws; or (iv) the making, offering, requesting or taking of, or the agreement to take, an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Carvana Parties and their respective subsidiaries have instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(hh) Compliance with Anti-Money Laundering Laws. The operations of the Carvana Parties and their respective subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable

money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental or regulatory agency (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Carvana Parties or any of their respective subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Carvana Parties or any of their respective subsidiaries is, threatened.

(ii) No Conflicts with Sanction Laws Neither the Carvana Parties nor any of their respective subsidiaries, directors or officers, nor, to the knowledge of the Carvana Parties, any agent, manager, employee or affiliate or other person acting on behalf of the Carvana Parties or any of their respective subsidiaries is currently the subject or the target of any sanctions administered or enforced by the U.S. Government, (including, without limitation, OFAC or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the UNSC, the European Union, His Majesty's Treasury ("**HMT**"), or other relevant sanctions authority (collectively, "**Sanctions**"), nor are the Carvana Parties or any of their respective subsidiaries located, organized or resident in a country, region or territory that is the subject or the target of Sanctions, including, without limitation, the non-government controlled areas of the Kherson and Zaporizhzhia regions of Ukraine, the so- called Donetsk People's Republic, the so-called Luhansk People's Republic or any other Covered Region of Ukraine identified pursuant to Executive Order 14065, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria (each, a "**Sanctioned Country**"); and the Carvana Parties will not directly or indirectly use any of the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or the target of any Sanctions, (ii) to fund or facilitate any activities of or any business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of any Sanctions. For the past five (5) years, the Carvana Parties and their respective subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of any Sanctions or with any Sanctioned Country.

(jj) ERISA Compliance. None of the following events has occurred or exists: (i) a failure to fulfill the obligations, if any, under the minimum funding standards of Section 302 of ERISA with respect to a Plan (as defined below) determined without regard to any waiver of such obligations or extension of any amortization period; (ii) an audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other federal, state or foreign governmental or regulatory agency with respect to the employment or compensation of employees by the Carvana Parties or any of their respective subsidiaries that might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; or (iii) any breach of any contractual obligation, or any violation of law or applicable qualification standards, with respect to the employment or compensation of employees by the Carvana Parties or any of their respective subsidiaries that

might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. None of the following events has occurred or is reasonably likely to occur: (i) a material increase in the aggregate amount of contributions required to be made to all Plans in the current fiscal year of the Carvana Parties and their respective subsidiaries compared to the amount of such contributions made in the Carvana Parties' most recently completed fiscal year; (ii) a material increase in the "accumulated post-retirement benefit obligations" (within the meaning of Accounting Standards Codification Topic No. 715) of the Carvana Parties and their respective subsidiaries compared to the amount of such obligations in the Carvana Parties' most recently completed fiscal year; (iii) any event or condition giving rise to a liability under Title IV of ERISA that might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; or (iv) the filing of a claim by one or more employees or former employees of the Carvana Parties or any of their respective subsidiaries related to its or their employment that might reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. For purposes of this paragraph and the definition of ERISA, the term "**Plan**" means a plan (within the meaning of Section 3(3) of ERISA) with respect to which the Carvana Parties or any of their respective subsidiaries may have any liability.

(kk) Lending and Other Relationship. Except as disclosed in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, (i) neither the Carvana Parties nor any of their respective subsidiaries has any material lending or similar relationship with the Agents or any bank or other lending institution affiliated with the Agents; (ii) the Carvana Parties will not, directly or indirectly, use any of the proceeds from the sale of the Shares by the Company hereunder to reduce or retire the balance of any loan or credit facility extended by the Agents or any of their respective "affiliates" or "associated persons" (as such terms are used in FINRA Rule 5121) or otherwise direct any such proceeds to any Agents or any of their respective "affiliates" or "associated persons" (as so defined); and (iii) there are and have been no transactions, arrangements or dealings between the Carvana Parties or any of their respective subsidiaries, on one hand, and the Agents or any of their respective "affiliates" or "associated persons" (as so defined), on the other hand, that, under FINRA Rule 5110 or 5121, must be disclosed in a submission to FINRA in connection with the offering of the Shares contemplated hereby or disclosed in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus.

(ll) Changes in Management. Except as disclosed in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus, none of the persons who were officers or directors of the Carvana Parties as of the date of the Prospectus has given oral or written notice to the Carvana Parties or any of their respective subsidiaries of his or her resignation (or otherwise indicated to the Company or any of its subsidiaries an intention to resign within the next twelve (12) months), nor has any such officer or director been terminated by the Carvana Parties or otherwise removed from his or her office or from the board of directors, as the case may be (including, without limitation, any such termination or removal which is to be effective as of a future date) nor is any such termination or removal under consideration by the Carvana Parties or their respective boards of directors.

(mm) Transfer Taxes . There are no stock or other transfer taxes, stamp duties, capital duties or other similar duties, taxes or charges payable in connection with the execution or delivery of this Agreement or any Terms Agreement by the Carvana Parties or the issuance or sale by the Company of the Shares to be sold by the Company hereunder or thereunder.

(nn) Related Party Transactions. There are no business relationships or related party transactions involving the Carvana Parties or any of their respective subsidiaries or, to the knowledge of the Carvana Parties, any other person that are required to be described in the Prospectus that have not been described as required.

(oo) Offering Materials. Without limitation to the provisions hereof, the Company has not distributed and will not distribute, directly or indirectly (other than through the Agents), any "written communication" (as defined Rule 405 under the Act) or other offering materials in connection with the offering or sale of the Shares, other than the Prospectus, any amendment or supplement to any of the foregoing that are filed with the SEC and any Permitted Free Writing Prospectuses.

(pp) No Restrictions on Dividends. Neither the Carvana Parties nor any of their respective subsidiaries is a party to or otherwise bound by any instrument or agreement that limits or prohibits or could limit or prohibit, directly or indirectly, the Carvana Parties from paying any dividends or making other distributions on their capital stock, and no subsidiary of the Carvana Parties is a party to or otherwise bound by any instrument or agreement that limits or prohibits or could limit or prohibit, directly or indirectly, any subsidiary of the Carvana Parties from paying any dividends or making any other distributions on its capital stock, limited or general partnership interests, limited liability company interests, or other equity interests, as the case may be, or from repaying any loans or advances from, or (except for instruments or agreements that by their express terms prohibit the transfer or assignment thereof or of any rights thereunder) transferring any of its properties or assets to, the Carvana Parties or any other subsidiary, in each case except as described in the Registration Statement and the Prospectus.

(qq) Brokers. There is not a broker, finder or other party that is entitled to receive from the Carvana Parties any brokerage or finder's fee or other fee or commission as a result of any of the transactions contemplated by this Agreement or any Terms Agreement, except for discounts or commissions payable to the Agents in connection with the sale of the Shares pursuant to this Agreement or any Terms Agreement.

(rr) Interactive Data. The interactive data in eXtensible Business Reporting Language included as an exhibit to the Registration Statement or incorporated by reference in the Registration Statement fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(ss) Cybersecurity. (i) There has been no security breach or incident, unauthorized access or disclosure, or other compromise (collectively, "Incidents") of or relating to the Company's or its subsidiaries' information technology and computer systems, networks, hardware, software, data and databases (including, without limitation, the data and information of their respective customers, employees, suppliers and vendors and any third party data

maintained, processed or stored by the Company and its subsidiaries, and any such data processed or stored by third parties on behalf of the Company and its subsidiaries), equipment or technology (collectively, "IT Systems and Data"), except for any such Incidents of the IT Systems and Data that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) neither the Company nor its subsidiaries have been notified of, and have no knowledge of any event or condition that would result in, Incidents relating to their IT Systems and Data, except for any such Incident of the IT Systems and Data that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (iii) the Company and its subsidiaries have implemented commercially reasonable controls, policies, procedures, and technological safeguards to maintain and protect the integrity, continuous operation, redundancy and security of their IT Systems and Data reasonably consistent with industry standards and practices, or as required by applicable regulatory standards; and (iv) the Company and its subsidiaries are presently in material compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, except where the failure to be so in compliance would not reasonably be expected to have a Material Adverse Effect.

(tt) Certificates. Any certificate signed by any officer, general partner, managing member or other authorized representative of the Company or any subsidiary of the Company and delivered to the Agents or to counsel to the Agents pursuant to or in connection with this Agreement or any Terms Agreement shall be deemed a representation and warranty by the Company to the Agents as to the matters covered thereby.

4. Certain Covenants of the Company. Each of the Carvana Parties, jointly and severally covenants with the Agents as follows, as applicable:

(a) For so long as the delivery of a prospectus is required (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with the offering or sale of Shares, before using or filing any Permitted Free Writing Prospectus and before using or filing any amendment or supplement to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (in each case, other than due to the filing of an Incorporated Document), to furnish to the Agents a copy of each such proposed Permitted Free Writing Prospectus, amendment or supplement within a reasonable period of time before filing with the Commission or using any such Permitted Free Writing Prospectus, amendment or supplement and the Company will not use or file any such Permitted Free Writing Prospectus or any such proposed amendment or supplement to which the Agents reasonably object, unless the Company's legal counsel has advised the Company that use or filing of such document is required by law; and the Company will not use or file any such Permitted Free Writing Prospectus or proposed, amendment or supplement to which the Agents reasonably object unless the Company's legal counsel has advised the Company that use or filing of such document is required by law.

(b) To file the Prospectus, each Prospectus Supplement and any other amendments or supplements to the Prospectus pursuant to, and within the time period required by, Rule 424(b) under the Act (without reference to Rule 424(b)(8)) and to file any Permitted Free Writing Prospectus to the extent required by Rule 433 under the Act and to provide copies of the Prospectus, each Prospectus Supplement, any other amendments or supplements to the Prospectus and each Permitted Free Writing Prospectus (to the extent not previously delivered or filed on the Commission's Electronic Data Gathering, Analysis and Retrieval system or any successor system thereto (collectively, "**EDGAR**")) to the Agents via e-mail in ".pdf" format on such filing date to an e-mail account designated by the Agents and, at the Agents' request, to also furnish copies of the Prospectus, each Prospectus Supplement, any other amendments or supplements to the Prospectus and each Permitted Free Writing Prospectus to each exchange or market on which sales were effected as may be required by the rules or regulations of such exchange or market.

(c) To file timely all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required (whether physically or through compliance with Rule 172 under the Act or any similar rule) in connection with the offering or sale of the Shares, and during such same period to advise the Agents, promptly after the Company receives notice thereof, (i) of the time when any amendment to the Registration Statement has been filed or has become effective or any supplement to the Prospectus or any Permitted Free Writing Prospectus or any amended Prospectus has been filed with the Commission; (ii) of the issuance by the Commission of any stop order or any order preventing or suspending the use of any prospectus relating to the Shares or the initiation or threatening of any proceeding for that purpose, pursuant to Section 8A of the Act; (iii) of any objection by the Commission to the use of Form S-3ASR by the Company pursuant to Rule 401(g)(2) under the Act; (iv) of the suspension of the qualification of the Shares for offering or sale in any jurisdiction or of the initiation or threatening of any proceeding for any such purpose; (v) of any request by the Commission for the amendment of the Registration Statement or the amendment or supplementation of the Prospectus (in each case including any documents incorporated by reference therein) or for additional information; (vi) of the occurrence of any event as a result of which the Prospectus or any Permitted Free Writing Prospectus as then amended or supplemented includes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus or any such Permitted Free Writing Prospectus is delivered to a purchaser, not misleading; and (vii) of the receipt by the Company of any notice of objection of the Commission to the use of the Registration Statement or any post-effective amendment thereto.

(d) In the event of the issuance of any such stop order or of any such order preventing or suspending the use of any such prospectus or suspending any such qualification, or of any notice of objection pursuant to Rule 401(g)(2) under the Act, to use promptly its commercially reasonable efforts to obtain its withdrawal.

(e) To furnish such information as may be required and otherwise cooperate in qualifying the Shares for offering and sale under the securities or blue sky laws of such states or other jurisdictions as the Agents may reasonably designate and to maintain such qualifications in effect so long as required for the distribution of the Shares; provided that the Company shall not be required to qualify as a foreign corporation, become a dealer of securities, or become subject to taxation in, or to consent to the service of process under the laws of, any such state or other jurisdictions (except service of process with respect to the offering and sale of the Shares); and to promptly advise the Agents of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the initiation of any proceeding for such purpose.

(f) To make available to the Agents at its offices in New York City, without charge, as soon as reasonably practicable after the Registration Statement becomes effective, and thereafter from time to time to furnish to the Agents, as many copies of the Prospectus and the Prospectus Supplement (or of the Prospectus or Prospectus Supplement as amended or supplemented if the Company shall have made any amendments or supplements thereto and documents incorporated by reference therein after the effective date of the Registration Statement) and each Permitted Free Writing Prospectus as the Agents may reasonably request for so long as the delivery of a prospectus is required (whether physically or through compliance with Rule 172 under the Act or any similar rule); and for so long as this Agreement is in effect, the Company will prepare and file promptly such amendment or amendments to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as may be necessary to comply with the requirements of Section 10(a)(3) of the Act.

(g) To furnish or make available to the Agents during the Term (i) copies of any reports or other communications which the Company shall send to its stockholders or shall from time to time publish or publicly disseminate and (ii) copies of all annual, quarterly and current reports filed with the Commission on Forms 10-K, 10-Q and 8-K, or such other similar form as may be designated by the Commission, and to furnish to the Agents from time to time during the Term such other information as the Agents may reasonably request regarding the Company or its subsidiaries, in each case as soon as such reports, communications, documents or information becomes available or promptly upon the request of the Agents, as applicable; provided, however, that the Company shall have no obligation to provide the Agents with any document filed or furnished on EDGAR or included on the Company's internet website.

(h) If, at any time during the Term, any event shall occur or condition shall exist as a result of which it is necessary in the reasonable opinion of counsel for the Agents or counsel for the Company, to further amend or supplement the Prospectus or any Permitted Free Writing Prospectus as then amended or supplemented in order that the Prospectus or any such Permitted Free Writing Prospectus will not include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading, in light of the circumstances existing at the time the Prospectus or any such Permitted Free Writing Prospectus is delivered to a purchaser, or if it shall be necessary, in the reasonable opinion of either such counsel, to amend or supplement the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus in order to

comply with the requirements of the Act, in the case of such a determination by counsel to the Company, immediate notice shall be given, and confirmed in writing, to the Agents to cease the solicitation of offers to purchase the Shares in the Agents' capacity as agent, and, in either case, the Company will, subject to Section 4(a) above, promptly prepare and file with the Commission such amendment or supplement, whether by filing documents pursuant to the Act, the Exchange Act or otherwise, as may be necessary to correct such untrue statement or omission or to make the Registration Statement, the Prospectus or any such Permitted Free Writing Prospectus comply with such requirements.

(i) To generally make available to its security holders as soon as reasonably practicable, but not later than sixteen (16) months after the first day of each fiscal quarter referred to below, an earnings statement (in form complying with the provisions of Section 11(a) under the Act and Rule 158 of the Commission promulgated thereunder) covering each twelve (12)-month period beginning, in each case, not later than the first day of the Company's fiscal quarter next following each "effective date" (as defined in such Rule 158) of the Registration Statement with respect to each sale of Shares, provided that the Company will be deemed to have made available such statement to its security holders to the extent it is filed or furnished on EDGAR or included on the Company's internet website.

(j) To apply the net proceeds from the sale of the Shares in the manner described in the Prospectus Supplement under the caption "Use of Proceeds."

(k) Not to, and to cause its subsidiaries not to, take, directly or indirectly, any action designed to cause or result in, or that constitutes or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares; *provided* that nothing herein shall prevent the Company from filing or submitting reports under the Exchange Act or issuing press releases in the ordinary course of business.

(l) Except as otherwise agreed between the Company and the Agents, to pay all costs, expenses, fees and taxes in connection with (i) the preparation and filing of the Registration Statement, the Prospectus, any Permitted Free Writing Prospectus, and any amendments or supplements thereto, and the printing and furnishing of copies of each thereof to the Agents and to dealers (including costs of mailing and shipment), (ii) the registration, issue and delivery of the Shares, (iii) the qualification of the Shares for offering and sale under the securities or blue sky laws of such states or other jurisdictions as the Agents may reasonably designate as aforesaid (including filing fees and the reasonable and documented legal fees and disbursements of counsel to the Agents in connection therewith) and the printing and furnishing of copies of any blue sky surveys to the Agents, (iv) the listing of the Shares on the Exchange and any registration thereof under the Exchange Act, (v) any filing for review, and any review, of the public offering of the Shares by FINRA (including filing fees and the reasonable and documented legal fees and disbursements of counsel to the Agents in connection therewith), (vi) the fees and disbursements of counsel to the Company and of the Company's independent registered public accounting firm, (vii) the performance of the Company's other obligations hereunder and under any Terms Agreement and (viii) the reasonable and documented out-of-

pocket expenses of the Agents, including the reasonable and documented fees, disbursements and expenses of counsel to the Agents in connection with this Agreement and ongoing services in connection with the transactions contemplated hereunder (in addition to clauses (iii) and (v) above); *provided* that the fees, disbursements and expenses of counsel for the Agents incurred in connection with, and reimbursable by the Company pursuant to this clause (viii) shall not exceed $125,000.

(m) With respect to the offering(s) contemplated by this Agreement or any Terms Agreement, the Company will not offer shares of Class A Common Stock or any securities convertible into or exchangeable or exercisable for shares of the Class A Common Stock in a manner in violation of the Act or the Exchange Act; and the Company will not distribute any offering material in connection with the offer and sale of the Shares, other than the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus and any amendments or supplements thereto.

(n) Unless the Company has given written notice to the Agents that the Company has suspended activity under this Agreement and there are no pending Agency Transactions or Principal Transactions, the Company will not, without (A) giving the Agents at least two (2) Exchange Business Days' prior written notice specifying the nature of the proposed sale and the date of such proposed sale and (B) the Agents suspending activity under this program for such period of time as requested by the Company or deemed appropriate by the Agents in light of the proposed sale, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Class A Common Stock or other equity securities of the Company or any securities convertible into or exercisable, redeemable or exchangeable for Class A Common Stock or other equity securities of the Company, or submit to, or file with, the Commission any registration statement under the Act with respect to any of the foregoing (other than a registration statement on Form S-8 or post-effective amendment to the Registration Statement), or publicly announce the intention to undertake any of the foregoing, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Class A Common Stock or other equity securities of the Company, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of Class A Common Stock or other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) Shares offered and sold under this Agreement or any Terms Agreement or (B) securities issued pursuant to any of the Company's equity incentive plans described in the Registration Statement and the Prospectus or upon the exercise of options granted thereunder. Any lock-up provisions relating to a Principal Transaction shall be set forth in the applicable Terms Agreement.

(o) The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Permitted Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Act.

(p) The Company will use commercially reasonable efforts to cause the Shares to be listed on the Exchange.

(q) The Company consents to any Agent trading in the Class A Common Stock for such Agents' own account and for the account of its respective clients at the same time as sales of the Shares occur pursuant to this Agreement or any Terms Agreement.

(r) [Reserved].

5. Execution of Agreement. The Agents' obligations under this Agreement shall be subject to the satisfaction of the following conditions in connection with and on the date of the execution of this Agreement:

(a) the Company shall have delivered to the Agents:

(i) an officers' certificate signed by two (2) officers of the Company (one of whom shall be the Chief Financial Officer or other senior financial officer) certifying as to the matters set forth in Exhibit B hereto;

(ii) an opinion and a negative assurance letter of Kirkland & Ellis LLP, counsel for the Company, addressed to the Agents and dated the date of this Agreement, in form and substance reasonably satisfactory to the Agents;

(iii) a "comfort" letter from Grant Thornton LLP, independent registered public accounting firm for the Company, addressed to the Agents and dated the date of this Agreement, addressing such matters as the Agents may reasonably request;

(iv) a certificate from the Company signed by the Company's Chief Financial Officer, in the form agreed with the Agents, certifying as to certain financial, numerical and statistical data not covered by the "comfort" letters referred to in Section 5(a)(iii) hereof;

(v) evidence reasonably satisfactory to the Agents and its counsel that the Shares have been approved for listing on the Exchange, subject only to notice of issuance on or before the date hereof;

(vi) resolutions duly adopted by the Company's board of directors, and certified by an officer of the Company, authorizing the Company's execution of this Agreement and the consummation by the Company of the transactions contemplated hereby, including the issuance and sale of the Shares; and

(vii) such other documents as the Agents shall reasonably request; and

(b) The Agents shall have received a legal opinion and a negative assurance statement, of Simpson Thacher & Bartlett LLP, counsel to the Agents, addressed to the Agents and dated the date of this Agreement, addressing such matters as the Agents may reasonably request.

6. Additional Covenants of the Carvana Parties. Each of the Carvana Parties further covenants and agrees with the Agents as follows, as applicable:

(a) Each Transaction Proposal made by the Company that is accepted by the applicable Agent by means of a Transaction Acceptance and each execution and delivery by the Company of a Terms Agreement shall be deemed to be (i) an affirmation that the representations, warranties and agreements of the Company herein contained and contained in any certificate delivered to the Agents pursuant hereto are true and correct at such Time of Acceptance or the date of such Terms Agreement, as the case may be, and (ii) an undertaking that such representations, warranties and agreements will be true and correct on any applicable Time of Sale and Settlement Date, as though made at and as of each such time (it being understood that such representations, warranties and agreements shall relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of such Transaction Acceptance or Terms Agreement, as the case may be).

(b) Each time that (i) the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall be amended or supplemented (including, except as noted in the proviso at the end of this Section 6(b), by the filing of any Incorporated Document), (ii) there is a Principal Settlement Date pursuant to a Terms Agreement, or (iii) there is filed with the Commission any annual report on Form 10-K or quarterly report on Form 10-Q, or any other document that contains financial statements or financial information that is incorporated by reference into the Registration Statement, or any amendment thereto (each date referred to clauses (i), (ii) and (iii) above, a "**Bring-Down Delivery Date**"), the Company shall, unless the Agents agree otherwise, furnish or cause to be furnished to the Agents certificates, dated as of such Bring-Down Delivery Date and delivered within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, delivered on such Principal Settlement Date, of the same tenor as the certificates referred to in Sections 5(a)(i) and 5(a)(iv) hereof, modified as necessary to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of delivery of such certificates and, in the case of the Chief Financial Officer's certificate, covering such other financial, numerical and statistical data that is not covered by the accountants' "comfort" letter dated as of such Bring-Down Delivery Date as the Agents may reasonably request, or, in lieu of such certificates, certificates to the effect that the statements contained in the certificates referred to in Sections 5(a)(i) and, unless the Agents shall have requested that the Chief Financial Officers' certificate cover different or additional data as aforesaid, 5(a)(iv) hereof furnished to Agents are true and correct as of such Bring-Down Delivery Date as though made at and as of such date (except that such statements shall be deemed to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of delivery of such certificate); *provided*, *however*, that the filing of a Current Report on Form 8-K will not constitute a Bring- Down Delivery Date under clause (i) above unless either (A) (x) such Current Report on Form 8- K is filed at any time during which either a Transaction Acceptance is binding and the Company has not suspended the use thereof (and prior to the settlement of the Shares specified therein) or a prospectus relating to the Shares is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule) or such Current Report on Form 8-K is filed at any time from and including the date of a Terms Agreement through and including the related Settlement Date and (y) the Agents have reasonably requested that such date be deemed to be a Bring-Down Delivery Date based upon the event or events reported in

such Current Report on Form 8-K or (B) such Current Report on Form 8-K contains capsule financial information, historical or pro forma financial statements, supporting schedules or other financial data, including any Current Report on Form 8-K or part thereof under Item 2.02 of Regulation S-K of the Commission that is considered "filed" under the Exchange Act; and *provided, further,* that an amendment or supplement to the Registration Statement or the Prospectus relating to the offering of other securities pursuant to the Registration Statement will not constitute a Bring-Down Delivery Date.

(c) Each Bring-Down Delivery Date, the Company shall, unless the Agents agree otherwise, cause to be furnished to Agents (A) the written opinion and negative assurance letter of Kirkland & Ellis LLP, counsel to the Company, and the written opinion and negative assurance letter of Simpson Thacher & Bartlett LLP, counsel to the Agents, each dated as of the applicable Bring-Down Delivery Date and delivered within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, dated and delivered on such Principal Settlement Date, of the same tenor as the opinions and letters referred to in Section 5(a)(ii) or Section 5(b) hereof, as applicable, but modified as necessary to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of delivery of such opinions and letters, or, in lieu of such opinions and letters, such counsel shall furnish the Agents with a letter substantially to the effect that the Agents may rely on the opinion and letter of such counsel referred to in Section 5(a)(ii) or Section 5(b), as applicable, furnished to the Agents, to the same extent as though they were dated the date of such letter authorizing reliance (except that statements in such last opinion and letter of such counsel shall be deemed to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the time of delivery of such letters authorizing reliance).

(d) Each Bring-Down Delivery Date, the Company shall, unless the Agents agree otherwise, use its reasonable best efforts to cause Grant Thornton LLP, independent registered public accounting firm for the Company to furnish to the Agents a "comfort" letter, dated as of the applicable Bring-Down Delivery Date and delivered within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, delivered on such Principal Settlement Date, of the same tenor as the letters referred to in Section 5(a)(iii) and Section 5(a)(iv) hereof, but modified to relate to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus as amended and supplemented to the date of such letter, and, if the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall include or incorporate by reference the financial statements of any entity or business (other than the consolidated financial statements of the Company and its subsidiaries), the Company shall, if requested by the Agents, cause a firm of independent public accountants to furnish to the Agents a "comfort" letter, dated as of the applicable Bring-Down Delivery Date and delivered within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, delivered on such Principal Settlement Date, addressing such matters as the Agents may reasonably request**.**

(e) (i) No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A under the Act shall be pending before or threatened by the Commission; the Prospectus and each Permitted Free Writing Prospectus shall have been timely filed with the Commission under the Act (in the case of a Permitted Free Writing Prospectus, to the extent required by Rule 433 under the Act); and all requests by the Commission for additional information shall have been complied with to the satisfaction of the Agents and no suspension of the qualification of the Shares for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes, shall have occurred and be in effect at the time the Company delivers a Transaction Proposal to the Agents or the time the Agents deliver a Transaction Acceptance to the Company; and (ii) the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading at the time the Company delivers a Transaction Proposal to the Agents or the time the Agents deliver a Transaction Acceptance to the Company.

(f) The Company shall reasonably cooperate with any reasonable due diligence review requested by the Agents or its counsel from time to time in connection with the transactions contemplated hereby or any Terms Agreement, including, without limitation, (i) at and prior to the commencement of each intended Purchase Date and any Time of Sale or Settlement Date, providing certain information and making available appropriate documents and appropriate corporate officers of the Company and, upon reasonable request, representatives of Grant Thornton LLP (and, if the Registration Statement, the Prospectus or any Permitted Free-Writing Prospectus shall include or incorporate by reference the financial statements of any entity or business (other than the consolidated financial statements of the Company and its subsidiaries), representatives of the independent public accountants that audited or reviewed such financial statements) for an update on diligence matters with representatives of the Agents and (ii) at and prior to each Bring-Down Delivery Date and otherwise as the Agents may reasonably request, including in anticipation of such Bring-Down Date or following a Transaction Proposal and through to the related Purchase Date, providing certain information and making available documents and appropriate corporate officers of the Company and representatives of Grant Thornton LLP (and, if the Registration Statement, the Prospectus or any Permitted Free-Writing Prospectus shall include or incorporate by reference the financial statements of any entity or business (other than the consolidated financial statements of the Company and its subsidiaries), representatives of the independent public accountants that audited or reviewed such financial statements) for one or more due diligence sessions with representatives of the Agents and their counsel.

(g) The Company shall disclose, in its quarterly reports on Form 10-Q and in its annual report on Form 10-K and, if requested by the Agents, in supplements to the Prospectus to be filed by the Company with the Commission from time to time, the number of the Shares sold through the Agents under this Agreement and any Terms Agreement, and the gross and net proceeds to the Company from the sale of the Shares and the compensation paid by the Company with respect to sales of the Shares pursuant to this Agreement during the relevant quarter or, in the case of any such prospectus supplement, such shorter period as the Agents may reasonably

request or, in the case of an Annual Report on Form 10-K, during the fiscal year covered by such Annual Report and the fourth quarter of such fiscal year.

All opinions, letters and other documents referred to in Sections 6(b) through (d) above shall be reasonably satisfactory in form and substance to the Agents. The Agents will provide the Company with such notice (which may be oral, and in such case, will be confirmed via e-mail as soon as reasonably practicable thereafter) as is reasonably practicable under the circumstances when requesting an opinion, letter or other document referred to in Sections 6(b) through (d) above.

7. Conditions of the Agents' Obligations. The Agents' obligations to solicit purchases on an agency basis for the Shares or otherwise take any action pursuant to a Transaction Acceptance and to purchase the Shares pursuant to any Terms Agreement shall be subject to the satisfaction of the following conditions:

(a) At the Time of Acceptance, at the time of the commencement of trading on the Exchange on the Purchase Date(s) and at the relevant Time of Sale and Agency Settlement Date, or with respect to a Principal Transaction pursuant to a Terms Agreement, at the time of execution and delivery of the Terms Agreement by the Company and at the relevant Time of Sale and Principal Settlement Date:

(i)The representations, warranties and agreements on the part of the Carvana Parties herein contained or contained in any certificate of an officer or officers, general partner, managing member or other authorized representative of the Carvana Parties or any subsidiary of the Carvana Parties delivered pursuant to the provisions hereof shall be true and correct in all respects.

(ii)Each of the Carvana Parties shall have performed and observed its covenants and other obligations hereunder and/or under any Terms Agreement, as the case may be, in all material respects.

(iii)In the case of an Agency Transaction, from the Time of Acceptance until the Agency Settlement Date, or, in the case of a Principal Transaction pursuant to a Terms Agreement, from the time of execution and delivery of the Terms Agreement by the Company until the Principal Settlement Date, trading in the Class A Common Stock on the Exchange shall not have been suspended.

(iv)From the date of this Agreement, no event or condition of a type described in Section 3(e) hereof shall have occurred or shall exist, which event or condition is not described in a Permitted Free Writing Prospectus (excluding any amendment or supplement thereto) or the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Agents makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the applicable Settlement Date on the terms and in the manner contemplated by this Agreement, any Terms Agreement, any Permitted Free Writing Prospectus and the Prospectus.

(v)Subsequent to the relevant Time of Acceptance or, in the case of a Principal Transaction, subsequent to execution of the applicable Terms Agreement, (A) no downgrading shall have occurred in the rating accorded any debt securities or preferred equity securities of or guaranteed by the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined by the Commission for purposes of Section 3(a)(62) of the Exchange Act and (B) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of any debt securities or preferred equity securities of or guaranteed by the Company or any of its subsidiaries (other than an announcement with positive implications of a possible upgrading) in each case that has not been described in the Prospectus or any Permitted Free Writing Prospectus issued prior to any related Time of Sale.

(vi)The Shares to be issued pursuant to the Transaction Acceptance or pursuant to a Terms Agreement, as applicable, shall have been approved for listing on the Exchange, subject only to notice of issuance.

(vii)(A) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the relevant Settlement Date, prevent the issuance or sale of the Shares and (B) no injunction or order of any federal, state or foreign court shall have been issued that would, as of the relevant Settlement Date, prevent the issuance or sale of the Shares.

(viii)(A) No order suspending the effectiveness of the Registration Statement shall be in effect, no proceeding for such purpose or pursuant to Section 8A of the Act shall be pending before or threatened by the Commission and no notice of objection of the Commission to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Act shall have been received by the Company; (B) the Prospectus and each Permitted Free Writing Prospectus shall have been timely filed with the Commission under the Act (in the case of any Permitted Free Writing Prospectus, to the extent required by Rule 433 under the Act); (C) all requests by the Commission for additional information shall have been complied with to the satisfaction of the Agents; and (D) no suspension of the qualification of the Shares for offering or sale in any jurisdiction, and no initiation or threatening of any proceedings for any of such purposes, shall have occurred and be in effect. The Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading at the time the Agents deliver a Transaction Acceptance to the Company or the Company and the Agents execute a Terms Agreement, as the case may be.

(ix)No amendment or supplement to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall have been filed to which the Agents shall have reasonably objected in writing.

(b) Within two (2) Exchange Business Days after the applicable Bring-Down Delivery Date or, in the case of a Bring-Down Delivery Date resulting from a Principal Settlement Date, on such Principal Settlement Date, the Agents shall have received the officer's certificates, opinions and negative assurance letters of counsel and "comfort" letters and other documents provided for under Sections 6(b) through (d), inclusive, unless otherwise agreed to by the Agents. For purposes of clarity and without limitation to any other provision of this Section 7 or elsewhere in this Agreement, the parties hereto agree that the Agents' obligations, if any, to solicit purchases of Shares on an agency basis or otherwise take any action pursuant to a Transaction Acceptance shall, unless otherwise agreed in writing by the Agents, be suspended during the period from and including a Bring-Down Delivery Date through and including the time that the Agents shall have received the documents described in the preceding sentence.

8. Termination.

(a) (i) The Company may terminate this Agreement in its sole discretion at any time upon prior written notice to the Agents. Any such termination shall be without liability of any party to any other party, except that (A) with respect to any pending sale, the obligations of the Company, including in respect of compensation of the Agents, shall remain in full force and effect notwithstanding such termination; and (B) the provisions of Sections 3, 4 (except that if no Shares have been previously sold hereunder or under any Terms Agreement, only Section 4(l)), 9, 13, 14 and 16 of this Agreement shall remain in full force and effect notwithstanding such termination.

(ii) In the case of any sale by the Company pursuant to a Terms Agreement, the obligations of the Company pursuant to such Terms Agreement and this Agreement may not be terminated by the Company without the prior written consent of the Agents.

(b) (i) Each Agent may terminate this Agreement with respect to itself in its sole discretion at any time upon giving prior written notice to the Company. Any such termination shall be without liability of any party to any other party, except that the provisions of Sections 3, 4 (except that if no Shares have been previously sold hereunder or under any Terms Agreement, only Section 4(l)), 9, 13, 14 and 16 of this Agreement shall remain in full force and effect notwithstanding such termination.

(ii) In the case of any purchase by the Agents pursuant to a Terms Agreement, the obligations of the Agents pursuant to such Terms Agreement shall be subject to termination by the Agents at any time prior to or at the Principal Settlement Date if (A) since the time of execution of the Terms Agreement or the respective dates as of which information is given in the Registration Statement, the Prospectus and any Permitted Free Writing Prospectus,

(iii) trading generally shall have been suspended or materially limited on or by any of the Exchange, the Nasdaq Stock Market, the Chicago Board Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade; (ii) trading of any securities issued or guaranteed by the Company or any of its subsidiaries shall

have been suspended on any exchange or in any over-the counter market, (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York state authorities, (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, solely in the case of events and conditions described in this clause (iv), in the Agents' judgment, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the terms and in the manner contemplated in the Prospectus or such Terms Agreement. If the Agents elect to terminate their obligations pursuant to this Section 8(b)(ii), the Company shall be notified promptly in writing.

(c) This Agreement shall remain in full force and effect until the earliest of (A) termination of the Agreement pursuant to Section 8(a) or 8(b) above or otherwise by mutual written agreement of the parties, (B) such date that the Maximum Amount or the Maximum Number, as applicable, of Shares has been sold in accordance with the terms of this Agreement and any Terms Agreements, and (C) April 20, 2025, in each case except that the provisions of Section 3, 4 (except that if no Shares have been previously sold hereunder or under any Terms Agreement, only Section 4(l)), 9, 13, 14 and 16 of this Agreement shall remain in full force and effect notwithstanding such termination.

(d) Any termination of this Agreement shall be effective on the date specified in such notice of termination; *provided* that, notwithstanding the foregoing, such termination shall not be effective until the close of business on the date of receipt of such notice by the Agents or the Company, as the case may be, or such later date as may be required pursuant to Section 8(a) or (b). If such termination shall occur prior to the Settlement Date for any sale of Shares, such sale shall settle in accordance with the provisions of Section 2 hereof.

9. Indemnity and Contribution.

(a) Each of the Carvana Parties jointly and severally agrees to indemnify and hold harmless the Agents, their respective affiliates, directors and officers and each person, if any, who controls any Agent within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonable and documented out of pocket legal fees and other expenses incurred in connection with defending or investigating any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto) or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Permitted Free Writing Prospectus (or any amendment or supplement thereto), any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act or any road show as defined in Rule 433(h) under the Act (a "**road show**"), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the

circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to the Agents furnished to the Carvana Parties in writing by the Agents expressly for use therein, it being understood and agreed that the only such information furnished by the Agents consists of the information described as such in subsection (b) below.

(b) Each Agent, severally and not jointly, agrees to indemnify and hold harmless each of the Carvana Parties, its directors, its officers who signed the Registration Statement and each person, if any, who controls either of the Carvana Parties within the meaning of Section 15 of the Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Agent furnished to the Carvana Parties in writing by such Agent expressly for use in the Registration Statement (or any amendment thereto), the Prospectus (or any amendment or supplement thereto), any Permitted Free Writing Prospectus (or any amendment or supplement thereto) or any road show, it being understood and agreed upon that such information shall consist solely of the following: the legal and marketing names of the Sales Agents set forth on the front and back cover of the Prospectus Supplement.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either Section 9(a) or 9(b) above, such person (the "**Indemnified Person**") shall promptly notify the person against whom such indemnification may be sought (the "**Indemnifying Person**") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 9. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 9 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel), but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) included both the Indemnifying Person and the Indemnified Person and

representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm (in addition to any local counsel) for (A) the Agents and their respective affiliates, directors and officers and its control persons, if any, or (B) the Carvana Parties, such party's directors, officers who signed the Registration Statement and control persons, if any, as the case may be, and that all such reasonable fees and expenses shall be paid or reimbursed as they are incurred. Any such separate firm for the Agents and their respective affiliates, directors and officers and its control persons, if any, shall be designated in writing by the Agents, and any such separate firm for the Carvana Parties, such party's directors, its officers who signed the Registration Statement and its control persons, if any, shall be designated in writing by such party. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested an Indemnifying Person to reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this Section 9(c), the Indemnifying Person agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than thirty (30) days after receipt by such Indemnifying Person of the aforesaid request and (ii) such Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification is or could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) If the indemnification provided for in Sections 9(a) and 9(b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such Sections, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Agents, on the other, from the offering of the Shares pursuant to this Agreement and any Terms Agreements or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Carvana Parties, on the one hand, and the Agents, on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Carvana Parties, on the one hand, and the Agents, on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses)

received by the Carvana Parties from the sale of the Shares pursuant to this Agreement and any Terms Agreements and the total discounts and commissions received by the Agents in connection therewith bear to the aggregate Gross Sales Price of such Shares. The relative fault of the Carvana Parties, on the one hand, and the Agents, on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Carvana Parties, on the one hand, or by the Agents, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Each of the Carvana Parties and the Agents agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 9(d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in Section 9(d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 9, in no event shall any Agent be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Agent with respect to the offering of the Shares pursuant to this Agreement and any Terms Agreements exceeds the amount of any damages that such Agent has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) The Agents' obligations to contribute pursuant to this Section 9 are several in proportion to the Shares sold by the Agents pursuant to the Agreement any Terms Agreement.

(g) The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

10. Notices. All notices and other communications under this Agreement and any Terms Agreement shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of communication, and, if to the Agents, shall be sufficient in all respects if delivered or sent to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: (646) 834-8133), with a copy, in the case of any notice pursuant to Section 9(c), to the Director of Litigation, Office of the General Counsel, Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019; Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013, Attention: General Counsel, facsimile number +1-646-291-1469; Moelis & Company LLC, 399 Park Avenue, New York, New York 10022, Attention: Steven R. Halperin, telephone number (212) 880-4283, email: Steven.halperin@moelis.com; and Virtu Americas LLC, 1633 Broadway, New York, New York 10019, Attention: Virtu Capital Markets; ATM@Virtu.com; and, if to the Carvana Parties, shall be sufficient in all respects if delivered or sent to the Company at Carvana

Co., to the attention of Paul Breaux, fax no. (480) 401-5770, EXT 10154 (with such fax to be confirmed by telephone to (512) 217-3905) or by email at paul.breaux@carvana.com, with a copy (which shall not constitute notice) to Kirkland & Ellis LLP at 300 North LaSalle, Chicago, Illinois 60654, to the attention of Robert Goedert, P.C. (telephone number (312) 862-7317, email: robert.goedert@kirkland.com). Notwithstanding the foregoing, Transaction Proposals shall be delivered by the Company to the Agents by telephone or email to Barclays Capital Inc., Attention: Brian Ulmer, brian.ulmer@barclays.com, (212) 526-9420 and Kevin Condon, kevin.condon@barclays.com, (212) 526-9420; Citigroup Global Markets Inc., Attention: SETG Origination (email: setg.origination@citi.com); Moelis & Company LLC, Attention: Steven R. Halperin, telephone number (212) 880-4283, email: Steven.halperin@moelis.com; and Virtu Americas LLC, Attention: Virtu Capital Markets; ATM@Virtu.com; with a copy (which shall not constitute notice) to Simpson Thacher & Bartlett LLP at 425 Lexington Avenue, New York, New York, 10017, to the attention of David Azarkh (telephone number (212) 455-2462, email: dazarkh@stblaw.com).

11. No Fiduciary Relationship. Each of the Carvana Parties acknowledges and agrees that the Agents are acting solely in the capacity of an arm's length contractual counterparty to the Carvana Parties with respect to the offering of Shares contemplated hereby and any Terms Agreements (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, either or both of the Carvana Parties or any other person. Additionally, the Agents are not advising either or both of the Carvana Parties or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. Each of the Carvana Parties shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and no Agent shall have responsibility or liability to the Carvana Parties with respect thereto. Any review by the Agents of the Carvana Parties, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Agents and shall not be on behalf of the Carvana Parties.

12. Adjustments for Stock Splits. The parties acknowledge and agree that all share related numbers contained in this Agreement, any Transaction Proposal and any Transaction Acceptance shall be adjusted to take into account any stock split or combination effected with respect to the Shares.

13. Miscellaneous.

(a) *Governing Law*. This Agreement, any Terms Agreement and any claim, controversy or dispute arising under or relating to this Agreement or any Terms Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

(b) *Submission to Jurisdiction*. Each of the Carvana Parties hereby submits to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the Carvana Parties waives any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. Each of the Carvana Parties agrees that final judgment in any such

suit, action or proceeding brought in such court shall be conclusive and binding upon such party and may be enforced in any court to the jurisdiction of which such party is subject by a suit upon such judgment.

(c) *Waiver of Jury Trial.* Each of the parties hereto hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement and any Terms Agreement.

14. Persons Entitled to Benefit of Agreement. This Agreement and any Terms Agreement shall inure to the benefit of and be binding upon the parties hereto and thereto, respectively, and their respective successors and the officers, directors, affiliates and controlling persons referred to in Section 9 hereof. Nothing in this Agreement or any Terms Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any such Terms Agreement or any provision contained herein or therein. No purchaser of Shares from or through the Agents shall be deemed to be a successor merely by reason of purchase.

15. Counterparts. This Agreement and any Terms Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

16. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Carvana Parties and the Agents contained in this Agreement or any Terms Agreement or made by or on behalf of the Carvana Parties or the Agents pursuant to this Agreement or any Terms Agreement or any certificate delivered pursuant hereto or thereto shall survive the delivery of and payment for the Shares and shall remain in full force and effect, regardless of any termination of this Agreement or any Terms Agreement or any investigation made by or on behalf of the Carvana Parties or the Agents.

17. Certain Defined Terms. For purposes of this Agreement, except where otherwise expressly provided:

"affiliate" has the meaning set forth in Rule 405 under Act;

"business day" means any day other than a day on which banks are permitted or required to be closed in New York City;

"Company Documents" means (i) all Subject Instruments and (ii) all other contracts, indentures, mortgages, deeds of trust, loan or credit agreements, bonds, notes, debentures, evidences of indebtedness, swap agreements, hedging agreements, leases or other instruments or agreements to which the Carvana Parties or any of their respective subsidiaries is a party or by which either

of the Carvana Parties or any of their respective subsidiaries is bound or to which any of the property or assets of the Carvana Parties or any of their respective subsidiaries is subject;

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder;

"Existing Credit Agreements" means the Third Amended and Restated Inventory Financing and Security Agreement, dated as of September 22, 2022 among Ally Bank, Ally Financial Inc., and Carvana, LLC, a subsidiary of the Company, as amended, supplemented or restated, if applicable, and including any promissory notes, pledge agreements, security agreements, mortgages, guarantees and other instruments or agreements entered into by the Carvana Parties or any of their respective subsidiaries in connection therewith or pursuant thereto, in each case as amended, supplemented or restated, if applicable;

"FINRA" means the Financial Industry Regulatory Authority, Inc.;

"GAAP" means generally accepted accounting principles;

"Lien" means any security interest, mortgage, pledge, lien, encumbrance, claim or equity;

"OFAC" means the Office of Foreign Assets Control of the U.S. Treasury Department;

"Organizational Documents" means (a) in the case of a corporation, its charter and by-laws; (b) in the case of a limited or general partnership, its partnership certificate, certificate of formation or similar organizational document and its partnership agreement; (c) in the case of a limited liability company, its articles of organization, certificate of formation or similar organizational documents and its operating agreement, limited liability company agreement, membership agreement or other similar agreement; (d) in the case of a trust, its certificate of trust, certificate of formation or similar organizational document and its trust agreement or other similar agreement; and (e) in the case of any other entity, the organizational and governing documents of such entity;

"Preferred Stock" means the Company's preferred stock, par value $0.01 per share;

"Repayment Event" means any event or condition which, either immediately or with notice or passage of time or both, (i) gives the holder of any bond, note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any subsidiary of the Company, or (ii) gives any counterparty (or any person acting on such counterparty's behalf) under any swap agreement, hedging agreement or similar agreement or instrument to which the Company or any subsidiary of the Company is a party the right to liquidate or accelerate the payment obligations or designate an early termination date under such agreement or instrument, as the case may be;

"Sarbanes-Oxley Act" means the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder or implementing the provisions thereof;

"Subject Instruments" means the Existing Credit Agreements and all other instruments, agreements and documents filed or incorporated by reference as exhibits to the Registration Statement pursuant to Rule 601(b)(10) of Regulation S-K of the Commission; provided that if any instrument, agreement or other document filed or incorporated by reference as an exhibit to the Registration Statement as aforesaid has been redacted or if any portion thereof has been deleted or is otherwise not included as part of such exhibit (whether pursuant to a request for confidential treatment or otherwise), the term "Subject Instruments" shall nonetheless mean such instrument, agreement or other document, as the case may be, in its entirety, including any portions thereof which shall have been so redacted, deleted or otherwise not filed;

"subsidiary" has the meaning set forth in Rule 405 under the Act;

"Termination Event" means any event or condition which gives any person the right, either immediately or with notice or passage of time or both, to terminate or limit (in whole or in part) any Company Documents or any rights of the Carvana Parties or any of their respective subsidiaries thereunder, including, without limitation, upon the occurrence of a change of control of the Carvana Parties or other similar events;

"UNSC" means the United Nations Security Council; and

"1940 Act" means the Investment Company Act of 1940, as amended.

All references in this Agreement to the Registration Statement, the Registration Statement, the Prospectus, any Permitted Free Writing Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the version thereof filed with the Commission pursuant to EDGAR and all versions thereof delivered (physically or electronically) to the Agents.

All references in this Agreement to financial statements and schedules and other information that is "contained," "included" or "stated" in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus (and all other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information that is incorporated by reference in or otherwise deemed by the Act to be a part of or included in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus shall be deemed to mean and include the filing of any document under the Exchange Act that is incorporated by reference in or otherwise deemed by the Act to be a part of or included in the Registration Statement, the Prospectus or any Permitted Free Writing Prospectus, as the case may be.

18. Recognition of the U.S. Special Resolution Regimes

(a) In the event that any Agent is a Covered Entity and becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Agent of this Agreement or any Terms Agreement, and any interest and obligation in or under this Agreement or any Terms Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement or any Terms Agreement, and any

such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Agent is a Covered Entity or a BHC Act Affiliate of such Agent and becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement or any Terms Agreement that may be exercised against such Agent are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement or any Terms Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 18:

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

(i)a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii)a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii)a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

19. Compliance with USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Agents are required to obtain, verify and record information that identifies its clients, including the Carvana Parties, which information may include the name and address of its clients, as well as other information that will allow the Agents to properly identify their clients.

20. Amendments or Waivers. No amendment or waiver of any provision of this Agreement or any Terms Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto or thereto as the case may be.

21. Headings. The headings herein and in any Terms Agreement are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement or any Terms Agreement.

*[Signature Page Follows]*

If the foregoing correctly sets forth the understanding between the Company and the Agents, please so indicate in the space provided below for that purpose, whereupon this letter and your acceptance shall constitute a binding agreement among the Company and the Carvana Parties.

Very truly yours,

**CARVANA CO.**

By: /s/ Paul Breaux
Name: Paul Breaux
Title: Vice President, General Counsel and Secretary

**CARVANA GROUP, LLC**

By: /s/ Paul Breaux
Name: Paul Breaux
Title: Vice President, General Counsel and Secretary

Accepted and agreed to as of the
date first above written:

**BARCLAYS CAPITAL INC.**

/s/ Robert Stowe

By: Robert Stowe
Managing Director

**CITIGROUP GLOBAL MARKETS INC.**

/s/ Brian Yick

By: Brian Yick
Managing Director, Global Co-Head of Internet Investment Banking

**MOELIS & COMPANY LLC**

/s/ Steven R. Halperin

By: Steven R. Halperin
Managing Director

**VIRTU AMERICAS LLC**

/s/ Joshua R. Feldman

By: Joshua R. Feldman
Managing Director

***Schedule A***

**Authorized Company Representatives**

Ernie Garcia III, Chief Executive Officer
Mark Jenkins, Chief Financial Officer
Mike McKeever, Vice President, Capital Markets & Investor Relations
Meg Kehan, Senior Director, Capital Markets & Investor Relations

**Exhibit A**

**Carvana Co. Class A Common Stock**

**TERMS AGREEMENT**

_____, 20____

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

Moelis & Company LLC
399 Park Avenue
New York, New York 10022

Virtu Americas LLC
1633 Broadway
41st Floor
New York, New York 10019

Dear Sirs:

Carvana Co., a Delaware corporation (the "**Company**"), proposes, subject to the terms and conditions stated herein and in the Distribution Agreement dated July 31, 2024 (the "**Distribution Agreement**") among the Company, Carvana Group, LLC, a Delaware limited liability company ("**Carvana Group**"), Barclays Capital Inc., Citigroup Global Markets Inc., Moelis & Company LLC and Virtu Americas LLC, [*insert name of Agent for the transaction*] (the "**Agent**"), to issue and sell to the Agent the securities specified in the Schedule hereto (the "**Purchased Securities**"). Unless otherwise defined below, terms defined in the Distribution Agreement shall have the same meanings when used herein.

Each of the provisions of the Distribution Agreement not specifically related to the solicitation by the Agent, as agent of the Company, of offers to purchase securities is incorporated herein by reference in its entirety, and shall be deemed to be part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein. Each of the representations, warranties and agreements set forth therein shall be deemed to have been made as of the date of this Terms Agreement and the Settlement Date set forth in the Schedule hereto.

An amendment to the Registration Statement or a supplement to the Prospectus, as the case may be, relating to the Purchased Securities, in the form heretofore delivered to the Agent, is now proposed to be filed with the Securities and Exchange Commission.

Subject to the terms and conditions set forth herein and in the Distribution Agreement which are incorporated herein by reference, the Company agrees to issue and sell to the Agent, and the latter agrees to purchase from the Company, the Purchased Securities at the time and place and at the purchase price set forth in the Schedule hereto.

Notwithstanding any provision of the Distribution Agreement or this Terms Agreement to the contrary, the Company consents to the Agent trading in the Class A Common Stock for the Agent's own account and for the account of its clients at the same time as sales of the Purchased Securities occur pursuant to this Terms Agreement.

**[***Signature Page Follows***]**

If the foregoing is in accordance with your understanding, please sign and return to us a counterpart hereof, whereupon this Terms Agreement, including those provisions of the Distribution Agreement incorporated herein by reference, shall constitute a binding agreement among the Agent, the Company and Carvana Group.

Very truly yours,

**CARVANA CO.**

By : _____
Name:
Title:

**CARVANA GROUP, LLC**

By : _____
Name:
Title:

Accepted and agreed as of the date first above written:

**[BARCLAYS CAPITAL INC.**

By : _____
Name:
Title:]

**[CITIGROUP GLOBAL MARKETS INC.**

By : _____
Name:
Title:]

**[MOELIS & COMPANY LLC**

By : _____
Name:
Title:]

**[VIRTU AMERICAS LLC**

By : _____
Name:
Title:]

**Schedule to Terms Agreement**

Title of Purchased Securities:
Class A Common Stock, par value $0.001 per share

Number of Shares of Purchased Securities:
_____ shares

Initial Price to Public:
$_____ per share

Purchase Price Payable by the Agent:
$_____ per share

Method of and Specified Funds for Payment of Purchase Price:
**[**By wire transfer to a bank account specified by the Company in same day funds**]**

Method of Delivery:
**[**To the Agent's account, or the account of the Agent's designee, at The Depository Trust Company via DWAC in return for payment of the purchase price.**]**

Settlement Date:
_____, 202___

Closing Location:
_____

Documents to be Delivered:

The following documents referred to in the Distribution Agreement shall be delivered on the Settlement Date as a condition to the closing for the Purchased Securities (which documents shall be dated on or as of the Settlement Date and shall be appropriately updated to cover any Permitted Free Writing Prospectuses and any amendments or supplements to the Registration Statement, the Prospectus, any Permitted Free Writing Prospectuses and any documents incorporated by reference therein):

(1) the officer's certificate referred to in Section 5(a)(i);
(2) the opinion and negative assurance letter of the Company's outside counsel referred to in Section 5(a)(ii);
(3) the "comfort" letter referred to in Section 5(a)(iii);
(4) the Chief Financial Officer's certificate referred to in Section 5(a)(iv);
(5) the opinion and negative assurance letter referred to in Section 5(b); and
(6) such other documents as the Agent shall reasonably request.

Time of sale: _____**[**a.m./p.m.**]** (New York City time) on _____, _____

Time of sale information:

- The number of shares of Purchased Securities set forth above
- The initial price to public set forth above

**Exhibit B**

**OFFICERS' CERTIFICATE**

**CARVANA CO. and CARVANA GROUP, LLC**

Dated _____, 202____

We, Paul Breaux, Vice President, General Counsel and Secretary, and Mark Jenkins, Chief Financial Officer, of Carvana Co., a Delaware corporation (the "**Company**"), and Mark Jenkins, Chief Financial Officer, and Paul Breaux, Vice President, General Counsel and Secretary, of Carvana Group, LLC, a Delaware limited liability company ("**Carvana Group**"), do hereby certify that this certificate is signed by us pursuant to the Distribution Agreement dated July 31, 2024, by and among the Company, Carvana Group and Barclays Capital Inc., Citigroup Global Markets Inc., Moelis & Company LLC and Virtu Americas LLC, as agents (the "**Agreement**"), and do hereby further certify, solely in our capacity as officers and not in our individual capacities, on behalf of the Company, as follows:

1. To the knowledge of the undersigned, the representations and warranties of the Company and Carvana Group in the Agreement are true and correct on and as of the date hereof as though made on and as of this date;

2. The Company and Carvana Group have performed all obligations and satisfied all conditions on its part to be performed or satisfied pursuant to the Agreement on or prior to the date hereof;

3. The Company's Registration Statement (File No. 333-264391) and any post- effective amendments thereto have become effective under the Act; no stop order suspending the effectiveness of such Registration Statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the Act has been initiated or, to the knowledge of the undersigned, threatened by the Commission; no notice of objection of the Commission to the use of such Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company; and all requests for additional information on the part of the Commission have been complied with; and

4. Since the respective dates as of which information is given in the Registration Statement, the Prospectus, as amended, and any Permitted Free Writing Prospectus, except as otherwise stated therein, (i) there has not been any change in the capital stock, other than the issuance of shares of Class A Common Stock upon exercise of stock options issued under, and the grant of options and awards under, equity incentive plans disclosed in the Registration Statement and the Prospectus, as amended, or the issuance of Shares pursuant to the Agreement, or short-term debt or long-term debt (except for borrowings and the repayment of borrowings in the ordinary course of business), of the Company, Carvana Group or any of their respective subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company or Carvana Group on any class of capital stock (other than regularly scheduled cash dividends in amounts that are consistent with past practice), or any material

adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company, Carvana Group or any of their respective subsidiaries taken as a whole; (ii) none of the Company, Carvana Group or any of their respective subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company, Carvana Group or any of their respective taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company, Carvana Group or any of their respective taken as a whole; and (iii) none of the Company, Carvana Group or any of their respective subsidiaries has sustained any loss or interference with its business that is material to the Company, Carvana Group or any of their respective subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority.

All capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in the Agreement.

***[****Signature Page Follows****]***

**CARVANA CO.**

By: _____
Name: Paul Breaux
Title: *Vice President, General Counsel and Secretary*

By: _____
Name: Mark Jenkins
Title: *Chief Financial Officer*

**CARVANA GROUP, LLC**

By: _____
Name: Mark Jenkins
Title: *Chief Financial Officer*

By: _____
Name: Paul Breaux
Title: *Vice President, General Counsel and Secretary*

**EXHIBIT C**

**MATERIAL SUBSIDIARIES**

| Name | Jurisdiction of Organization | Type of Entity | Managing Member |
|---|---|---|---|
| Carvana Co. Sub LLC | Delaware | Limited Liability Company | Managing Member:<br>Carvana Co. 100% |
| Carvana Group, LLC | Delaware | Limited Liability Company | Managing Member:<br>Carvana Co. Sub LLC<br>Members:<br>Carvana Co. Sub LLC<br>~58.0%<br>Pre-IPO LLC Unitholders<br>~42.0% |
| Carvana Operations HC LLC | Delaware | Limited Liability Company | Managing Member:<br>Carvana Group, LLC<br>Members:<br>Carvana Co. Sub LLC .1%<br>Carvana Group: 99.9% |
| Carvana, LLC | Arizona | Limited Liability Company | Managing Member:<br>Carvana Operations HC LLC 100% |
| Adesa US Auction, LLC | Delaware | Limited Liability Company | Managing Member:<br>Carvana Operations<br>HC LLC 100% |

Exhibit 31.1

**Certification of the Chief Executive Officer**
**Pursuant to Rule 13a-14(a)**

I, Ernest Garcia, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carvana Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 31, 2024

/s/ Ernest C. Garcia, III
Ernest C. Garcia, III
*Chairman and Chief Executive Officer*

Exhibit 31.2

**Certification of the Chief Financial Officer**
**Pursuant to Rule 13a-14(a)**

I, Mark Jenkins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carvana Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 31, 2024

/s/ Mark Jenkins
Mark Jenkins
*Chief Financial Officer*

Exhibit 32.1

**Certification of the Chief Executive Officer**
**Pursuant to Rule 18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of Carvana Co. (the "Company") for the quarter ended June 30, 2024, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Ernest Garcia, III, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2024

/s/ Ernest C. Garcia, III

Ernest C. Garcia, III

*Chairman and Chief Executive Officer*

Exhibit 32.2

**Certification of the Chief Financial Officer**
**Pursuant to Rule 18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of Carvana Co. (the "Company") for the quarter ended June 30, 2024, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Mark Jenkins, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2024

/s/ Mark Jenkins
Mark Jenkins
*Chief Financial Officer*